

**Timor-Leste Rural Water Supply and
Sanitation Program - Bee, Saneamentu no
Ijiene iha Komunidade (BESIK 2)**

MONITORING AND REVIEW GROUP NO. 2

FINAL – 1 May 2015

Aid Activity Summary

Aid Activity Name	DFAT Timor-Leste Rural Water Supply and Sanitation Program. In Tetum: Bee, Saneamentu no Ijiene iha Komunidade (BESIK 2)		
AidWorks Initiative Number	INK217		
Commencement Date	17 September 2012	Completion date	16 June 2016
Total Australian \$	Up to AUD 40 million		
Total Other \$	Not applicable		
Delivery Organisation(s)	DFAT (Program Director) Aurecon Australia – International Projects Pty Ltd (Operations)		
Implementing Partner(s)	Ministry of Public Works, Transport and Communication Ministry of Health Note: The program coordinates with, and provides support to, other ministries involved in the sector including the Ministry of Finance, Ministry of Education, Ministry of State Administration and Territorial Management and the National Development Agency.		
Country/Region	Timor-Leste		
Primary Sector	Rural Water Sanitation and Hygiene		

All currency amounts are in Australian Dollars (AUD) unless noted otherwise.

Acknowledgments

The team wishes to thank all those who worked to ensure the MRG 2 program was both comprehensive and well-paced, particularly Faviola Monteiro Dasilva. Thank you, also, to all those who generously gave their time to assist the team in its deliberations.

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Map of Timor-Leste



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Acronyms

ADN	National Development Agency (of GoTL)
BESIK 2	Bee, Saneamentu no Ijene iha Komunidade, Phase 2
CAP	Community Action Planning
CBO	Community Based Organisation
CD	Capacity Development
CHC	Community Health Centre (Sub-district level)
CLTS	Community-Led Total Sanitation
CSO	Civil Society Organisation
DAA	Departments of Water Supply (Departamento deDepartameto de Abastecimento de Água) (before known as SAS)
DFAT	Australian Department of Foreign Affairs and Trade
DGAS	Directorate General of Water and Sanitation (Direcção Geral de Água e Saneamento)
DHS/SDS	District Health Services (Serviços de Saúde Distritais)
DNCQA	National Directorate for Control and Quality of Water (Direcção Nacional de Controlo e Qualidade da Água)
DNSC	National Directorate for Community Health (Direcção Nacional de Saúde Comunitária)
DNSA	National Directorate for Water Services (Direcção Nacional dosde Serviços de Água)
DNSB	National Directorate for Basic Sanitation (Direcção Nacional de Saneamento Básico)
DPES	Department of Health Promotion and Education / <i>Departamento Promosaun no Edukasaun Saude</i>
DPHO	District Public Health Officer
DRWSEA	Water and Sanitation Engineering Adviser
DSA	Department of Environmental Health / Departamento de Saude Ambiental
DTO	District Technical Officer
EHD	Environmental Health Department
FRA	Fiduciary Risk Assessment
GMF	Water Facility Management Group (Grupo Manajementu Fasilidade or Grupo de Gestão de Água)
GoA	Government of Australia
GoTL	Government of Democratic Republic of Timor-Leste
HWWS	Hand Washing With Soap
ICR	Independent Completion Report
ICT	Information and Communication Technology
LES	Locally Engaged Staff
LTA	Long Term Adviser

LTP	Long Term Personnel
M&E	Monitoring and Evaluation
MC	Managing Contractor
MDG	Millennium Development Goals
MEF	Monitoring and Evaluation Framework
MRG	Monitoring and Review Group
MS	Ministry of Health (Ministério da Saúde)
MOPTC	Ministry of Public Works, Transport and Communications (Ministério das Obras Públicas, Transportes e Comunicações)
MAE	Ministry of State Administration (Ministério da Administração Estatal)
MSS	Ministry of Social Solidarity (Ministério da Solidariedade Social)
NGO	Non-Government Organisation
NPP	National Pumping Program
PAKSI	Community Action Planning, Sanitation and Hygiene (Planu Aksaun Komunitade, Saneamentu no Ijiene)
O&M	Operations and maintenance
ODF	Open Defecation Free (ALFA if using the Tetum acronym)
PD	Program Director
PDID	Integrated District Development Plan (Plano de Desenvolvimento Integrado Distrital)
PDD	Program Design Document
PFM	Public Financial Management
PLWD	People Living With Disabilities
PNDS	National Program for Village Development (Programa Nacional de Desenvolvimento dos Sucos)
PSF	Family Health Promoter (Promotor de Saúde Familiar)
RWASH	Rural Water, Sanitation and Hygiene
RWSSP	Rural Water Supply and Sanitation Project
SDF	Sub-District Facilitator (now known as APF, Administrative Post Facilitator)
SDP	Timor-Leste Strategic Development Plan
SIBS	Water and Sanitation Information System
SISCa	Integrated Community Health Service (Servisu Intergradu Saude Comunidade)
SDS	SDS – Servisu Distrital Saude (District Health Service)
SSS	SSS – Servisu Saude Sub-Distritu (Sub-District Health Services)
STA	Short Term Advisor (Specialist)
ToR	Terms of Reference
WASH	Water Supply, Sanitation and Hygiene

Executive Summary

1 Purpose

This report outlines the findings of the second independent review of the Government of Australia (GoA) funded Rural Water Supply and Sanitation Program (RWSSP) Phase 2, known locally as *Bee, Saneamentu no Ijiene iha Komunidade* (BESIK 2). The review was conducted in March 2015 by the program's Monitoring and Review Group (MRG). This report responds to the Terms of Reference (ToR), prepared by the Department of Foreign Affairs and Trade (DFAT) in consultation with Government of Timor-Leste (GoTL) partners. The ToR directed the MRG to focus its attention on Operations and Maintenance (O&M), Community Action Planning (CAP) Sanitation and Hygiene (PAKSI), Support to Schools and Capacity Development (CD). The MRG did not review the Water Resource Management activities of BESIK or the Program's other health campaigns.

2 Program Design

BESIK 2's goal is to improve the health and quality of life of rural people in Timor-Leste through three end-of-program goals:

1. All levels of government with well-functioning systems for effective policy development, planning and management for rural water supply and sanitation (through four specified outcomes).
2. Rural communities have sustainable and equitable access to/utilisation of safe water (through twelve specified outcomes).
3. Rural communities and selected schools have sustainable and equitable access to/utilisation of improved sanitation (through seven specified outcomes).

3 Findings

3.1 Progress against outcomes

The overall finding of MRG 2 is that *BESIK 2 is delivering a wide range of activities across the RWASH sector with varying degrees of success*. Good progress has been made in the allocation of GoTL resources to water and sanitation, particularly in relation to O&M but progress has been slower in most other outcome areas. Of concern is the lack of progress in the community management of water systems, sanitation marketing and socialization and access to household latrines.

3.2 O&M of water systems

There are two very positive developments in the O&M space. Firstly, there is a recognition of the importance of O&M of water systems within senior GoTL circles and GoTL has allocated significant

funds to O&M. Secondly, BESIK is drawing near the completion of its directly implemented WASH projects and will soon be ready to focus its full and considerable technical resources on community water supply O&M.

There is still a great deal of work needed to ensure that BESIK's support for O&M is on track. The strategy for addressing O&M is yet to be finalised. There are diverse views within BESIK, and amongst other sector stakeholders, about what are the important O&M issues and how these should be addressed. BESIK's most recent O&M pilot activities on three gravity systems do not yet provide much evidence to guide future direction.

The MRG notes that BESIK's immediate focus for 2015 will be on delivering the National Pump Program (NPP). This appears to be a sound response to effectively spending the GoTL O&M budget for 2015. It will be very important, however, to make sure that the NPP is seen as part of the O&M Pathway, not a stand-alone activity. Further, the MRG strongly recommends that the NPP is developed using a proper piloting framework that makes clear what is being tested and how results will be measured.

As BESIK moves out of direct delivery and supervision of GoTL-funded water supply construction, one or more members of the existing Water Services Team should be allocated full-time responsibility to finalise the O&M Pathway and manage the NPP pilot. Staffing structures and responsibilities should be reconsidered in light of the shift in focus away from construction to O&M.

3.3 PAKSI

There has been considerable investment to date in PAKSI both within MS and other WASH agencies with mixed results. PAKSI's core element—Community Lead Total Sanitation (CLTS)—remains an effective approach. Both within the MS/BESIK delivery model and—reportedly—within NGO programs, PAKSI results in many households building and using toilets and some communities becoming Open Defecation Free (ODF/ALFA). The next approach should involve close collaboration with NGOs, MOPTC and BESIK under the direction and leadership of MS and a rigorous piloting approach should be applied. This should be the highest priority for the BESIK sanitation/hygiene team in 2015.

Success in raising sanitation demand is being undermined by the lack of supply-side measures. Within Timor-Leste it has taken too long to improve access to sanitation goods and services in rural areas. BESIK and DNSB appear to have promising measures in place to improve the supply of goods and services.

3.4 Support to schools

BESIK has provided little support for school WASH to date. The sources and mechanisms for funding school and clinic WASH remain unclear. A complex network of stakeholders is responsible for delivering these services. National Directorate for Water Services guidelines require that schools (and clinics) be considered during community planning, with the aim of providing a water

point within 100m of the school/clinic wherever this is technically feasible. Consequently, BESIK is already likely to be increasing the number of schools with access to improved water supply. This type of support to schools could continue under the O&M focus.

For sanitation, it is suggested that BESIK look to encourage support to schools through the PAKSI and sanitation marketing activities. This would mean ensuring that school sanitation is part of the community's PAKSI action plan. Simple toilet and hand washing facilities—similar to what community members construct for their homes—could also be constructed at schools and clinics following CLTS triggering. BESIK and MS stakeholders reported that in general this does not currently occur.

3.5 GoTL ownership and commitment

The MRG sees an increased interest in, and higher expectations of BESIK. While the work of BESIK is held in high regard and the regular meetings to discuss progress and challenges are valued, there are areas where GoTL Directors believe improvements could be made. GoTL reported a lack of clarity around the respective roles and decision making powers of DFAT, the Program Director (PD), the Operations Manager and advisers which causes confusion and often results in delayed decisions. A second major issue was the need to plan for when BESIK ends (in 2020). This was framed in the context of both capacity development and sustainability. Concerns were raised that GoTL agencies would require time and sensible planning to ensure the work of the ministries continued smoothly once BESIK resources were withdrawn.

There is a growing understanding of the role the Management Committee can play in directing the work of BESIK. The challenge for the Management Committee is to ensure it is able to provide informed and cohesive strategic direction to BESIK as well as guidance on more operational matters.

3.6 Capacity development (CD) framework

MRG 2 found the BESIK team is developing a shared understanding of CD, although this remains variable across the team. A new approach to CD was implemented in 2014 that aimed to ensure work plans were grounded in GoTL priorities, showed BESIK's role in helping GoTL to achieve these priorities and articulated the specific capacity development activities that BESIK will undertake to help GoTL to achieve their plans. The process has been documented in a draft CD Framework document which is technically sound. It is currently under review to ensure its content is accessible and understandable to advisers and that it can be drawn upon in discussions about CD with GoTL partners. GoTL partners identified the need for development in CD to support sustainability.

3.7 Adviser resourcing

MRG 2 notes that adviser (and local staff) numbers have increased in the last year. Given the impending reduction in the BESIK budget, and the need to direct resources to areas of priority, the

MRG proposes that BESIK, DFAT and GoTL jointly review BESIK's resourcing to determine a more suitable future structure. This is fully supported by the Directorate General of Water and Sanitation (DGAS).

3.8 BESIK response to decentralisation

BESIK is well placed to support decentralisation. Its work to date at the municipal level (both in capacity development and direct service delivery) will support the further decentralisation of rural WASH services. Since its inception, BESIK has supported the capacity development of the Municipal Water Supply Departments (DAA) through training, provision of resources such as cars, bikes and computers and the development of managers. This continues in 2015. BESIK is monitoring the decentralisation agenda and will respond with specific support when the picture is clear. In the meantime it is well-positioned to continue to support CD at the municipal and administrative post levels.

3.9 Quality of engagement with emerging structures and programs

BESIK works to build and maintain relationships with both GoTL and Australian aid program structures and programs. Where appropriate, BESIK supports other programs, for example, providing technical advice to the National Program for Village Development (PNDS) activities in the districts when invited to do so. While there is good will and some communication between the PNDS and BESIK this appears to be ad hoc and irregular although improving. Links with the National Development Agency (ADN) are tenuous and should be made through DGAS.

3.10 Gender and social inclusion

When visiting Bobonaro, the MRG was impressed with the work of the female Sanitarian and Sanitation Officers. They demonstrate the capacity of women to work effectively in a difficult and challenging environment. This contradicted the consistently expressed view of District (male) staff that women were not suited to positions where they had to travel distances into isolated rural areas. The MRG acknowledges that the environment is difficult however the evidence is very clear – women can do great work when given the resources and support they need. As it acknowledges, the challenge for BESIK lies in influencing underpinning institutional values and behaviours to ensure women are supported to do their work effectively.

3.11 Management Questions

The MRG offers the following in response to the Management Questions set out in the ToR:

- A proposed process for determining the new structure of BESIK is at Attachment D. The MRG encourages DFAT and BESIK to move on this as soon as possible—ad hoc decisions on individual roles is not good practice.
- It is the MRG's understanding that DFAT has already made the decision to move to a Team Leader model for the next phase of WASH support. Attachment E provides a starting point for discussion on roles and responsibilities of the Team Leader with GoTL partners.

- The MRG suggests that the Management Committee structure continue under the next WASH contract and that it be given the attention needed to ensure it develops into a strategic as well as a review body.
- BESIK would benefit from a detailed review of the new CD processes once it has been in operation for two planning cycles.
- BESIK continues to work on two major policies—Water Resources and Water Supply. The MRG’s view is that after these are approved BESIK should prioritise working on strategy documents for service delivery at the next level down in its two core areas of sanitation and water supply O&M.
- During the next planning process, it is imperative that resources are directed at priority areas, particularly O&M and PAKSI. A reduction in staff must be accompanied by a sharper focus for the program and a reduced scope of activities. The Program Director must work to better integrate the support of cross-cutting advisers into the priority areas.

4 Priority Recommendations

Recommendations have been made throughout the report and are listed in the table at Attachment F. MRG 2 proposes the following recommendations be made a priority and implemented as soon as possible.

No.	Priority Recommendations
3	BESIK to allocate at least one fulltime, dedicated resource from within the existing Water Services Team to develop and manage implementation of the O&M program.
5	BESIK and GoTL to develop and implement the National Pump Program (NPP) as an integrated part of the O&M pathway. BESIK to use the NPP process as an opportunity to test a new approach to designing and managing pilots.
8	A full-time BESIK MS adviser with the appropriate skills to be tasked with leading BESIK’s support for PAKSI.
11	BESIK and GoTL to clearly align piloting of sanitation supply-side approaches with PAKSI delivery and commence in areas where there are already large concentrations of recently-declared ALFA (ODF) communities.
13	BESIK to integrate school WASH improvements into its current core activities rather than seeing school WASH as a separate sub-program.
15	DFAT and BESIK to provide greater clarity about the roles, responsibilities and decision making powers of DFAT, the PD, the Operations Manager and advisers.
18	BESIK, DFAT and GoTL to undertake a joint restructuring process as soon as possible to ensure BESIK’s structure supports its priorities (strategy) and fits within its revised budget.

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1. Introduction

1.1 Purpose

This report outlines the findings of the second independent review of the Government of Australia (GoA) funded Rural Water Supply and Sanitation Program (RWSSP) Phase 2, known locally as *Bee, Saneamentu no Ijiene iha Komunidade* (BESIK 2). The review was conducted in March 2015 by the program's Monitoring and Review Group (MRG).

The MRG was established to provide ongoing guidance to the program. The role includes reviewing performance, identifying strategic opportunities and recommending solutions to emerging challenges at both the strategic and operational levels.¹ This report responds to the Terms of Reference (TOR) for the March 2015 assignment, prepared by the Department of Foreign Affairs and Trade (DFAT) in consultation with Government of Timor-Leste (GoTL) partners.

1.2 Background

Australia's first rural water supply, sanitation and hygiene (RWASH) program in Timor-Leste, the community Water Supply and Sanitation Program (CWSSP) was delivered from 2002 to 2006. The program contracted local non-government organisations (NGOs), community-based organisations and contractors to mobilise communities to improve health awareness and construct and manage rural water supply and sanitation infrastructure.²

The Australia-East Timor Rural Water Supply and Sanitation Programme (RWSSP) known locally as *Bee, Saneamentu no Ijiene iha Komunidade* (BESIK) was delivered from 2007 to 2012. It was an AUD41 million program that provided technical assistance to the Ministries of Infrastructure and Health and subcontracted NGOs to deliver water and sanitation services to communities.³ BESIK resulted in 'tangible improvements in service delivery, particularly of water supply; while at the same time assisting GoTL develop enabling policy and institutional frameworks'.⁴

BESIK 2 was designed jointly by GoA and GoTL to build on the success of BESIK while responding to 'the proliferation of government decentralised mechanisms for funding water supply and slow progress on sanitation and hygiene promotion'.⁵ BESIK 2, an intended eight year program, has initial funding of up to AUD40 million for the first four years (2012-2016).

¹ Please refer to Section 7.2 of the BESIK 2 PDD for further information on the role of the MRG.

² From <http://www.aurecongroup.com/en/projects/international-development/australia-east-timor-community-water-supply-and-sanitation-programme.aspx>

³ BESIK 2 PDD, Page 7.

⁴ BESIK 2 PDD, Page 7.

⁵ BESIK 2 PDD, Page 7.

Operational support for BESIK 2 is provided by a Managing Contractor (MC), Aurecon Australia – International Projects Pty Ltd. The MC reports to a Program Director (PD) who is contracted directly by DFAT in Dili.

1.3 Program design

BESIK 2's goal is to improve the health and quality of life of rural people in Timor-Leste through three end-of-program goals:

1. All levels of Government with well-functioning systems for effective policy development, planning and management for rural water supply and sanitation (through four specified outcomes).
2. Rural communities have sustainable and equitable access to/utilisation of safe water (through twelve specified outcomes).
3. Rural communities and selected schools have sustainable and equitable access to/utilisation of improved sanitation (through seven specified outcomes).

A diagram showing BESIK 2's program logic is at Attachment A. This version was developed in mid 2014 and reduces the number of outcome areas from twenty-three to sixteen. BESIK remains a complex program.

1.4 Review objectives and questions

The ToRs directed the MRG to focus its attention on Operations and Maintenance (O&M), Community Action Planning, Sanitation and Hygiene (PAKSI), Support to Schools and Capacity Development (CD). The MRG did not review the Water Resource Management activities of BESIK or the Program's other health campaigns although it did discuss these areas with relevant stakeholders during in-country meetings.

MRG 2 addresses the following review questions⁶:

- a) To what extent has BESIK Phase 2 achieved progress against expected outcomes? What successes and challenges have contributed to this? What implications and responses are needed to areas where progress is inadequate? The review team should focus in particular on:
 - i. Operation and Maintenance (O&M) of water supply system
 - ii. Implementation of Community-Led Total Sanitation (PAKSI – *Planu Aksaun Komunidade ba Saneamentu no Ijiene*)
 - iii. Support to schools

⁶ MRG 2 TORs. Page 2 Refer Attachment E

- b) To what extent has BESIK 2 secured GoTL ownership and commitments? To what extent has GoTL leaders' and officials' perceptions of BESIK changed in the past year?
- c) What is the quality of the draft capacity development framework? To what extent has advisor resourcing been appropriately pitched, given a) GoTL objectives; b) current workloads and c) expected workloads
- d) To what extent is BESIK (represented by its Program Design Document (PDD) and annual plan) well placed to respond to decentralisation? What responses (decisions about resources, high-level strategic engagement) are needed to maximise BESIK's relevance within a decentralised service delivery model?
- e) What is the quality of BESIK's engagement with emerging structures and programs in Government, including PNDS and ADN?

The MRG also proposed in its Evaluation Plan that it gather data on BESIK's contributions to gender and social inclusion, particularly while in the field.

The review's analysis and recommendations are intended to *inform* the following management decisions⁷:

1. Possible changes to the number and balance of advisers, including (national and international, short term and long term) under new contract.
2. Definition of Team Leader roles and responsibilities, and management structure under the new contract (and any related interim changes).
3. Finalisation and implementation of capacity development framework.
4. Prioritisation of policy engagement with the new GoTL.
5. The next annual update to the BESIK program logic, and development of the next annual plan and budget.

1.5 Review scope and methods

The review's scope and methodology is outlined in detail in the Evaluation Plan. In summary, the team:

- reviewed a wide range of documents (Attachment B)
- conducted individual and group interviews with a total of 67 people (26 females and 41 males) (Attachment C)
- visited Bobonaro Municipality where it met with GoTL DAA Manager and staff
- consulted with a Chefe Aldeia in Suco Riafun about PAKSI

⁷ MRG 2 TORs. Pages 2 and 3.

- consulted members of the Bobonaro community about their water supply and how it is managed
- interviewed the NGO service provider contracted to rehabilitate the Tapo water supply system in Bobonaro
- met with DFAT staff and GoTL staff to share and test findings
- met with the PD several times including towards the end to test findings

The team consistently reviewed the question checklist to ensure all key issues were covered.

Three separate aide memoire presentations to (a) BESIK advisers and senior locally engaged staff (b) DFAT and (c) GoTL senior directors provided each group with the opportunity to discuss the findings and recommendations and provide further feedback to the MRG.

The process for the MRG 2 was a great improvement on MRG 1:

- The ToRs were focussed, covering a manageable number of areas.
- GoTL engagement was high.
- The program ensured MRG 2 met with all key stakeholders and was well paced which allowed time to digest and review information.
- The translation services were good.
- The site visits demonstrated the benefits PAKSI and clean water bring to a community but also highlighted the challenges facing Timor-Leste and BESIK around the provision of a consistent water supply and sanitation.

Limitations to the review process were:

- While there were some valuable inputs from the part time MS team member, the MRG process would have benefitted from a full time and independent Timor-Leste team member to provide the local context and perspective.
- As noted by DGAS, having government staff as part of the MRG team may not be the best use of GoTL resources. DGAS suggests that government staff assist the MRG whenever needed but not be part of the team itself, to guarantee independence.
- While the schedule was well paced, inevitably meetings ran over time. Consequently several of those who were interviewed felt they did not have a good opportunity to adequately share their views with the MRG.
- While the MRG intended to only meet BESIK advisers who worked in areas covered by the TORs, several requested out-of-program meetings. This stretched the agenda although the meetings provided some useful information.
- The MRG was keen to have stakeholders participate in joint workshops to develop a shared understanding of each others' perspectives. This did not occur as key GoTL partners expressed a preference for meeting separately with the MRG. It is the MRG's view that a process that openly identifies and discusses issues would be of far more value

than one where the MRG acts as the information channel. A broader approach is recommended for the next MRG.

1.6 Review team

The team leader of the MRG is Robyn Renneberg, a capacity development specialist with monitoring and evaluation experience. Robyn is familiar with DFAT's review requirements and with the Timor-Leste context through previous work in-country. She has had no involvement with the WASH sector or BESIK 2. Matthew Bond is the WASH Specialist. He has an extensive background in the WASH sector in Timor-Leste, having worked on the two previous phases of Australian support to the sector. He is well-known to many of the government stakeholders and BESIK 2 national staff, and has worked closely in the past with several of the international advisers. He does not have any existing contracts or active commercial links with the MC or any of the BESIK advisers. The third team member is Sigia Osvaldinha Patrocinio, a Sanitation Officer with the Timor-Leste Ministry of Health. Sigia participated in those aspects of the MRG that related to sanitation and hygiene and in the site visit. Sigia has worked with the MS for many years and participated in the MRG 1 site visits. DGAS intended to provide a member of the team but was unable to due to work commitments. The team has a good mix of experience, established relationships and independence. The Team Leader moderated all of the team's deliberations to manage any possible conflicts of interest.

2. Findings

2.1 Progress against outcomes

To what extent has BESIK Phase 2 achieved progress against expected outcomes? What successes and challenges have contributed to this? What implications and responses are needed to areas where progress is inadequate?

The overall finding of the MRG 2 is that *BESIK 2 is delivering a wide range of activities across the RWASH sector with varying degrees of success*. This confirms BESIK's own assessment of progress. While good progress has been made in the allocation of GoTL resources to water and sanitation (Outcome 1.2), particularly in relation to O&M, progress has been slower in most other outcome areas. Of concern is the lack of progress in the community management of water systems (Outcome 2.3), sanitation marketing and socialization (outcome 3.2) and access to household latrines (Outcome 3.7). The following table from Progress Report #4 shows progress towards all BESIK 2's end of program outcomes.⁸

⁸ Progress Report #4, Table 2. Note that a summary of Progress Report #3 was translated into Tetun, distributed to government and discussed at individual meetings prior to the last management committee meeting. The full English report was also made available to government. The same process is to be followed for Progress Report #4. In response to comments in the draft MRG 2 report, the PD will confirm with DGAS that this process meets their needs.

Summary of progress towards achieving sustainable end of program outcomes

Ref	Outcome	Rating
1.1	DGAS and MS develop and implement coherent national policy framework for Water and Sanitation service delivery.	Yellow
1.2	Government of Timor-Leste allocates adequate resources to water and sanitation service delivery	Green
1.3	MOP and DGAS more effectively manage human, financial and material resources (HR, budgeting, planning, monitoring) for equitable and sustainable service delivery.*	Yellow
2.1	DNSA effectively performs its functions to plan, manage and oversee the quality of rural water system construction and rehabilitation	Yellow
2.2	DNCQA effectively performs water resource management functions critical to sustainable water supply.	Yellow
2.3	DNSA support communities to plan and manage rural water system operations and maintenance	Red
2.4	Private sector (suppliers, contractors and NGOs) provide high quality and cost effective rural water supply services to the GoTL and community clients.	Yellow
2.5	GMFs and communities maintain their water supply systems and participate in the planning and monitoring of water system construction and complex repairs.	Yellow
3.1	MS Department of Health Promotion and Education, District Health Services and Sub-District Health Services deliver effective hygiene behaviour change campaigns.	Yellow
3.2	DNSB effectively promote the marketing and socialization of basic sanitation services and other issues of public sanitation and hygiene.	Red
3.3	MS Department of Environmental Health, District Health Services and Sub-District Health Services deliver effective sanitation promotion programs.	Yellow
3.4	Ministry of Education and MS deliver effective sanitation and hygiene behaviour change programs in selected schools.	Grey
3.5	Private sector (contractors, marketing companies, suppliers and NGOs) provide high quality and affordable sanitation and/or hygiene promotion related products and services to their GoTL and community clients.	Yellow
3.6	Rural households adopt target hygienic behaviours.	Yellow
3.7	Rural households construct/purchase and maintain hygienic latrines.	Red
3.8	Students and school staff in target schools adopt hygienic behaviours and maintain hygienic sanitation facilities	Grey

Key

Green: Activity and key outputs are on track and level of achievement has reach or surpassed where it was expected to be at this point in the program.

Yellow: Some delays and challenges but there has been progress in significant areas.

Red: Significant delays and barriers to achievement that require urgent management action.

Grey: Not applicable in this reporting period.

Major achievements since MRG 1 in 2014 include⁹:

- The inter-ministerial BESIK Steering Committee was replaced by a BESIK Management Committee consisting only of MOPTC and MS counterparts, DFAT and the BESIK PD.
- The Management Committee approved the CD Plans and budget for 2014 at their first meeting in June. The CD and annual work plans were jointly developed with GoTL partners and are aligned with GoTL's Strategic Development Plan.
- BESIK 2 took on the strategic challenge of the Program Design Document (PDD) and started to move towards the long-term goal of 'one plan, one system, one budget'.
- For the first time, the GoTL has budgeted significant funds for O&M.
- Sub-District Facilitator (SDF) positions were made permanent GoTL public servants.
- The water resource studies of the Baucau Karst Limestone Aquifer and the Liquica Aquifer were completed.
- MS is working with BESIK 2 to develop the Sanitation Improvement Program where they will manage NGOs to implement PAKSI in communities.

Challenges during the year include:

- Slow progress in developing plans for water supply O&M
- Lack of traction with PAKSI
- Lack of progress with WASH in schools
- The lack of clarity around the GoTL decentralisation agenda (particularly the roles and responsibilities of those involved in RWASH)
- A 30% reduction in the GoTL's fiscal envelope for goods and services
- The lack of a timetable for the proposed DFAT Fiduciary Risk Assessment (FRA)
- BESIK's lack of influence with MS's Public Financial Management (PFM) development

The TORs direct the MRG 2 to focus on three key areas of concern - each is addressed in detail in the following sections.

2.2 Operations and maintenance of water systems

There are two very positive developments in the operations and maintenance (O&M) area. Firstly, there is recognition of the importance of O&M within senior GoTL circles. The MRG was advised that the GoTL has allocated \$1million for rural water O&M. This complements a further allocation of up to \$6.5m from BESIK in Financial Years 15 to 17. This is the first year since independence that a budget for WASH O&M has been included in the GoTL budget. It reflects a broader shift in

⁹ Drawn from Section 2.1 in BESIK 2 Progress Reports #3 (Section 2.1) and #4.

dialogue at ministerial level to improving the service life of infrastructure through adequate maintenance.

Secondly, construction is drawing towards completion of BESIK's directly implemented WASH projects. Progress Report 4 notes that ten BESIK-funded water supply projects¹⁰ carried over from 2014 are currently being completed and that no BESIK-funded systems are planned for 2015. These ten systems are the last of 32 new community water supply projects targeted in the PDD. To date during BESIK 2, the four international and five national engineering staff have worked mostly on supporting the construction or rehabilitation of water systems. The demands of ensuring that these (and GoTL-funded systems) are well-designed and competently constructed, absorb much of the input from the BESIK engineering staff. Once these construction projects are completed, BESIK will be ready to focus its full and considerable technical resources on community water supply O&M. This shift is described in the 2015 AWP¹¹.

BESIK and DNSA have agreed that BESIK will no longer fund new water systems and will instead focus funding and efforts on system rehabilitation and improving the longer term reliability through the O&M pathway.

There is still a great deal of work needed to ensure that BESIK's support for O&M is on track. There are two important priorities:

- Preparing a GoTL strategy for O&M that has shared ownership within the sector and builds on learning from the considerable body of work undertaken to date by BESIK.
- Developing the National Pump Program (NPP) as a formal pilot activity within the O&M strategy.

The strategy for addressing O&M is yet to be finalised. Drafting of the O&M Pathway (a strategy document) was commenced under the previous Rural Water Supply Engineer and the O&M in WASH Specialist Short Term Adviser (STA). Both these advisers have now left BESIK and the pathway document has been put on hold. Further discussions are needed with DGAS to ensure they are clear about what is happening. There are diverse views within BESIK and amongst other sector stakeholders about what O&M issues are most important and how these should be addressed. This diversity of thinking highlights the importance of completing the O&M Pathway so that stakeholders can work within an agreed, evidence-based framework for strengthening water supply O&M. During the MRG 2 consultations, Directorate General of Water and Sanitation (DGAS) directors stressed the importance of having an evidence-based approach and using existing knowledge to guide spending of the \$1million GoTL budget for rural water O&M.

¹⁰ At the end of 2014 BESIK had 14 projects left to complete. Four are now complete leaving a balance of 10. Seven are due to be completed by June 15 (current estimate) and 3 may not be finalised until the 15-16 fiscal year.

¹¹ BESIK 2 Annual Work Plan. Page 7.

BESIK has investigated O&M for pumped water supply systems and is using that experience in the design of the NPP. BESIK's recent O&M pilot activities for gravity-fed piped water supplies, however, do not provide much evidence to guide future O&M direction. This work concentrated on rehabilitation of three gravity-fed piped systems (in Tapo, Letefoho and Atauro). They lack a pilot framework setting out what was being tested and what learning would be achieved. Most of the resources have gone into rehabilitating the systems (i.e. returning them to their original operating state) rather than testing how they might be sustained over time.

The MRG visited the Tapo system and spoke briefly with community members, Department of Water Supply (DAA) and the NGO contracted to rehabilitate the system (FMH). It was clear from this visit that social, rather than technical, issues are the main challenges to sustainability and that the NGO was showing very little success in addressing these issues. Meeting O&M challenges must combine engineering skills with community development, anthropology and institutional development expertise. BESIK's O&M trials to date appear to have suffered from insufficient involvement of BESIK's non-engineering expertise. Before any further extensions are made to NGO contracts for the current O&M pilots, it is suggested that the design of these activities is reviewed against the O&M Pathway and that relevance to the O&M Pathway and concepts being piloted is clear.

The most recent pilots are not the first O&M activities which BESIK has supported. The BESIK 1 Activity Completion Report (ACR) notes that:

*Two significant BESIK-funded studies have supported this engagement: the O&M Institutional Study and an O&M pilot in Bobonaro and Ermera districts. Both were completed in 2012 and the learning will provide a platform for BESIK2 activities.*¹²

The O&M Pathway should draw together the learning from these past studies. It should also reflect BESIK's recent pilots, the outputs of the O&M in WASH STA, successes from other WASH-sector stakeholders, and the extensive experience of the BESIK advisory team—both social and engineering. The Pathway should make clear what questions need to be answered through the next stages of piloting. Some of these questions were outlined during the MRG's O&M session and included:

- Who will act as service providers—who has the capacity to provide different services; who should carry out routine maintenance and major repairs; what is the role of the GMF; how does service delivery differ for smaller and larger systems?
- How will O&M be financed—how much will it cost to maintain different systems; what can/will the community provide; what is the government willing to provide; what are the implications/requirements of other subsidies (for example, electricity)?

¹² BESIK 1 Activity Completion Report. Page 19.

- What is the role of government—what should the SDFs (or FPAs) and other DAA staff do; what roles should other GoTL stakeholders play such as municipality and administrative post administrations; what new policy or legislation is required?
- What are the capacity development implications—what data is required and how will it be collected and managed; will new standards/guidelines be required; what changes in skills/attitudes/behaviours will be needed for different stakeholders; what contract management skills will be involved?

The MRG notes that BESIK's immediate focus for 2015 will be on delivering the NPP. This appears to be a sound response to spending the GoTL O&M budget for 2015 effectively. It will be very important, however, to make sure that the NPP is seen as part of the O&M Pathway and not a stand-alone activity. Further, the MRG strongly recommends that the NPP is developed using a proper piloting framework that makes clear what is being tested and how results will be measured. In addition to the requirements of BESIK's activity proposal guidelines, this should reflect DFAT's piloting guideline, provided to BESIK in early 2015.

The NPP should also model responses to the following issues:

- **Maintenance rather than rehabilitation.** Several of GoTL and BESIK stakeholders noted that there is an indistinct boundary between 'maintenance' and 'rehabilitation'. There is a risk that BESIK and GoTL O&M funds, including those for the NPP, will be directed to rehabilitation—that is, fixing systems after they have failed. The MRG strongly encourages BESIK to develop O&M activities that prevent systems from failing, rather than just work on rehabilitation.
- **Government ownership.** The O&M pathway and NPP should be a National Directorate for Water Services (DNSA) program, not a BESIK program. This should be reflected in the documentation, as well as the execution. BESIK has already contracted two local service providers to carry out the NPP inspections in approximately 250 locations nationwide. There is a risk that in the haste to complete this task, DAA and SDFs (or FPAs) will not be closely involved alongside the contractors and that there will be little if any district-level ownership of the results.
- **Building on successes. The NPP, as with other O&M trials, should seek out easy successes and build on those.** Solutions for more difficult locations can then be built upon adaptation of approaches that have proven success, building momentum for change at the same time.

As BESIK moves out of direct delivery and supervision of GoTL-funded water supply construction, one or more members of the existing Water Services Team should be allocated full-time to finalise the O&M Pathway and manage the NPP pilot. Staffing structures and responsibilities should be reconsidered in light of the shift in focus away from construction to O&M.

Recommendations:

1. DNSA to provide clear direction to the BESIK team about their requirements for O&M, play a leadership role in finalising the O&M Pathway and supervise the pilots.
2. O&M to be the highest single priority of the Rural Water Supply technical team in 2015 onwards.
3. BESIK to allocate at least one fulltime, dedicated resource from within the existing Water Services Team to develop and manage implementation of the O&M program.
4. Development of the O&M Pathway to draw upon expertise from all areas of BESIK advisory support and from GoTL expertise.
5. BESIK and GoTL to develop and implement the National Pump Program (NPP) as an integrated part of the O&M pathway. BESIK to use the NPP process as an opportunity to test a new approach to designing and managing pilots.
6. BESIK to review the current O&M trial activities against the strategies detailed in the O&M Pathway. Ensure that any further work on these systems clearly fits within the Pathway and is designed and executed to build the O&M evidence base.
7. DFAT to seek opportunities to strengthen the resolve of GoTL senior leaders at ministerial level, to continue to fund WASH-sector O&M, in particular with Ministry of Finance and Ministry of Public Works, Transport and Communications (MOPTC).

2.3 PAKSI

There has been considerable investment to date in PAKSI both within the MS and other WASH agencies. Planning and well-managed implementation of a new model of delivery for PAKSI is needed to build on this investment and ensure the sanitation agenda progresses.

Much of the MRG's discussions with stakeholders about PAKSI concerned transition from the current MS direct delivery model to NGO delivery. During BESIK, PAKSI delivery was trialled using NGOs and MS district staff. It was subsequently agreed with MS that a pilot be carried out of MS direct delivery in three districts. BESIK supported MS to recruit and train fifteen sanitarians for this work. The sanitarians were based in three districts—Baucau, Bobonaro and Liquica—and their main task was to run PAKSI in fifteen sub-districts under the supervision of the DHS District Public Health Officer (DPHO) and with support of a BESIK-appointed district-based 'sanimentor'. An initial review of the pilot (in March 2015) found that having a single staff member responsible in each sub-district for PAKSI was not effective. BESIK and MS have now agreed to commence a parallel trial of NGO delivery of PAKSI under MS supervision. The NGO delivery trial is yet to commence. MS and BESIK have decided, however, not to extend the MS direct delivery pilot after the contracts for the fifteen sanitarians expire in March 2015.

Discussions with GoTL and BESIK staff suggest that PAKSI's core element—Community-led Total Sanitation (CLTS)—remains an effective approach to creating sanitation demand. Both within the MS direct delivery model and—reportedly—within NGO programs, PAKSI results in many

households building and using toilets and some communities becoming Open Defecation Free (ODF). The MRG visited one aldeia in Raifun suco in Bobonaro District. In two of the three aldeias in the suco, every household has built a toilet and hand washing facility and have been declared ODF (or ALFA, using the Tetun acronym). This success was achieved despite there being only one (dedicated and skilled) MS sanitarian responsible for the entire sub-district.

The MRG's discussions with WaterAid, an international NGO working on WASH in Timor-Leste, found that they had created more than 100 ALFA communities in Liquica and Manufahi districts using the PAKSI approach. In support of PAKSI, BESIK has provided extensive training to MS and NGO staff and there is now a good base of expertise within Timor-Leste for delivering and managing PAKSI.

It will be vital that the transition to the next iteration of PAKSI is carefully managed. The MRG suggests that this become the highest priority for the BESIK Sanitation and Hygiene team for the remainder of 2015.

Planning and managing the next phase of PAKSI piloting—and ensuring that it builds on existing knowledge rather than starts 'afresh'—will require full-time support from a BESIK international adviser. The MRG notes that BESIK currently does not have a sanitation expert as part of the team advising the MS. Senior staff in the Environmental Health Department (EHD) stressed that this is a significant limitation.

As part of any future restructure of BESIK advisory support, the MRG strongly encourages DFAT and the PD to address this issue and ensure that MS and the PAKSI process is supported with appropriate advisory input.

The MRG strongly supports finalisation of the Sanitation Strategy and Roadmap in 2015. BESIK Progress Report 3 notes that it was 'quite challenging to engage district stakeholders' in development of the strategy and hence that a roadmap is being prepared instead. Progress Report 4 notes that a new STA is being recruited to create the Sanitation Roadmap. Work on the strategy were progressed over a number of years by an existing adviser, the Sanitation Policy Specialist, who returned to work with BESIK most recently in early 2015.

It is unclear to the MRG why an additional STA is being recruited rather than having the current (and continuing) Sanitation Policy Specialist complete this task, particularly when the task so clearly lies within the scope of responsibilities for the Sanitation Policy Specialist. If an additional adviser is proposed, the rationale should be very thoroughly documented and DFAT satisfied that there are no preferable alternatives and that there is a strong demand for this position within MS. The rationale should also make it very clear how this new STA will work in with the existing Sanitation Policy Specialist and their work remain complementary rather than overlapping.

The ToR for the MRG2 had a clear focus on PAKSI specifically rather than sanitation more broadly. Ensuring that sanitation demand is sustained, however, requires that households are able to access the goods and services they need to improve or maintain their sanitation infrastructure. Stakeholders in MS and DNSB agreed that success in raising sanitation demand is being

undermined by the lack of supply-side measures. Within Timor-Leste it is taking a long time to improve access to sanitation goods and services in rural areas. BESIK has been working on sanitation supply since 2010. BESIK 1 had its own outcome for sanitation products and services (Outcome 3.3) and the BESIK 1 Activity Completion Report explains that two marketing studies were carried out, resulting in a pilot sanitation marketing activity. Despite this, the BESIK 1 Independent Completion Report suggested that:

*BESIK II should undertake sophisticated market analysis to identify key limitations and opportunities for various approaches to improving the supply of sanitation products and services.*¹³

BESIK has continued its planning with DNSB and soon hopes to trial new sanitation supply-side activities. These measures have been supported by the Sanitation Policy Adviser and appear promising. The extent to which these plans are supported by the 'sophisticated market analysis' called for in the BESIK 1 Independent Completion Report (ICR) is unclear. The pilot activity proposal notes that some market analysis has been completed but that the results were not endorsed by DNSB.

Latrine packages are yet to be developed and this has been contracted out to Plan International. The extent to which this approach results in latrines packages that are attractive to households and yet remain affordable, is a very significant risk for the proposed pilot. It was also unclear to the MRG, and to MS staff, how the supply-side measures would be integrated with PAKSI delivery. The MRG encourages BESIK to ensure that when these approaches are trialed, that they are clearly aligned with PAKSI delivery and are piloted initially in areas where there are large concentrations of ALFA communities. The planning and execution of the supply-side activities should treat MS as a key partner and promote effective collaboration between DNSB and MS.

Recommendations:

8. A full-time BESIK MS adviser with the appropriate skills to be tasked with leading BESIK's support for PAKSI.
9. Develop a revised approach to PAKSI management arrangements that builds upon BESIK's experience of previous PAKSI delivery and that of other WASH agencies in Timor-Leste.
10. BESIK to move quickly to support strengthening of the supply side of sanitation.
11. BESIK and GoTL to clearly align piloting of sanitation supply-side approaches with PAKSI delivery and commence in areas where there are already large concentrations of recently-declared ALFA (ODF) communities.
12. MS and DNSB to strengthen communication so that MS staff at national and district levels are fully aware of sanitation supply-side activities.

¹³ BESIK 1 Independent Completion Report. Recommendation 19, Page 20.

2.4 Support to schools

BESIK advisers and the PD advised that BESIK 2 has provided little explicit support for school WASH to date. BESIK's most recent Progress Report notes that for the two outcomes related to WASH in schools (Outcomes 3.4 and 3.8):

*No progress has been made around WASH in Schools in the last six months as significant resources were diverted to addressing weaknesses in the sanitation....The outcomes around WASH in Schools are not realistic given BESIK's technical and management limitations in the sanitation and hygiene area and need to be reframed.*¹⁴

The Ministry of Education is the lead ministry for WASH in schools and is responsible both for curriculum related to hygiene and provision of facilities within the school grounds. Other agencies, such as UNICEF, have been active in piloting activities in schools and there is currently a new set of School WASH Guidelines which the Ministry of Education is in the process of finalising.

An allocation of \$26million was made for school WASH by the previous government. It appears that there is little role, if any, for DGAS in influencing how these funds are spent. The National Development Agency (ADN) reported that the funds are not explicitly allocated for WASH but are given as small grants to school management committees to improve school infrastructure. The Coordinating Minister of Social Affairs in the new government has made school WASH a priority and the Ministry's Service Delivery Unit is tasked with managing inter-ministerial coordination to achieve better school WASH infrastructure.

This presents a complicated network of responsibilities. BESIK is already stretched by working across two ministries and the MRG agrees with the perspective raised in Progress Report 4 that adding an extra ministry to this mix would not be appropriate at this point. Rather, for the remainder of 2015, BESIK should look for opportunities to integrate school WASH improvements into its current core activities rather than seeing school WASH as a separate sub-program.

With respect to water, DNSA guidelines require that schools (and clinics) be considered during community planning, with the aim of providing a water point within 100m of the school/clinic wherever this is technically feasible. Consequently, BESIK is already likely to be increasing the number of schools with access to improved water supply, both through its directly funded activities and through its support for DNSA. This type of support to schools could continue under the O&M focus, with opportunities being taken to improve school water supplies as part of community-level improvements, wherever this is feasible. It is likely that the NPP, for example, would result in some schools having better access to water.

For sanitation, it is suggested that BESIK look to encourage support to schools through the PAKSI and sanitation marketing activities. This would mean ensuring that school sanitation is part of the community's PAKSI action plan. Simple toilet and hand washing facilities—similar to what

¹⁴ BESIK 2 Progress Report No. 4. Page 50.

community members construct for their homes—could also be constructed at schools and clinics following CLTS triggering. BESIK and MS stakeholders reported that in general this does not currently occur.

During the MRG’s visit, BESIK staff was able to use SIBS data to very quickly identify communities in one district (Ainaro) where there is a water supply but where schools (or clinics) do not have access. SIBS can also provide information on school or clinic sanitation, although BESIK staff note that the quality of that data is currently weaker than for water. Supporting DGAS to analyse SIBS data and share it with the new Service Delivery Unit (and other ministries) is a significant contribution that BESIK can make without requiring significant extra work.

Wherever BESIK has made a contribution to improving school or clinic water supplies this should be recorded in BESIK’s M&E system. BESIK’s M&E systems should also be checked to ensure that improvements to school water supply and sanitation and hygiene facilities—through O&M, support for GoTL-funded community water supply or PAKSI—are captured in its regular monitoring and reporting processes.

Recommendations:

13. BESIK to integrate school WASH improvements into its current core activities rather than seeing school WASH as a separate sub-program.
14. BESIK support school sanitation through the PAKSI and sanitation marketing activities and water supply as part of O&M of community water supplies. Improvements made to school WASH through these mechanisms should be consistently reported upon.

2.5 GoTL ownership and commitment

To what extent has BESIK 2 secured GoTL ownership and commitments? To what extent has GoTL leaders’ and officials’ perceptions of BESIK changed in the past year?

The MRG sees an increased interest in, and higher expectations of, BESIK. There are also differing perceptions of BESIK, some positive and some not so positive. The Directors General of Health and Water and Sanitation and relevant Directors provided frank feedback on the work of BESIK and outlined the issues they felt needed to be addressed. While the work of BESIK is held in high regard by both MS and MOPTC and the regular meetings to discuss progress and challenges are valued, there are areas where they believe improvements could be made.

The most important issue identified by almost all Directors relates to decision making. They see a lack of clarity around the respective roles and decision making powers of DFAT, the Program Director, the Operations Manager and advisers which causes confusion and often results in delayed decisions. Examples were provided of instances when decisions were delayed or over turned as they moved between the various decision-makers. Documentation exists on the decision making responsibilities (in the PDD and in contracts); the challenge is to ensure the information is accessible and understood by all roles and by the GoTL. It is also important that decision making

processes are applied consistently to avoid confusion. The MRG acknowledges that there will be times when a decision may need to go through several decision-makers. When this is needed it must be made clear to the person seeking the decision.

The second major issue (identified by MOPTC Directors) was the need to plan for when BESIK ends (in 2020). This was framed in the context of both capacity development (we need to be sure we have the capacity to go forward on our own) and sustainability (we need to ensure that the cost base is identified so the GoTL can plan to meet future financial demands currently met through BESIK). Concerns were raised that as the GoTL would struggle to match BESIK resources, time and sensible planning was essential to ensure the work of the ministries continued smoothly.

Other issues included:

- Concerns about the lack of progress with O&M (i.e. the Pathway document and O&M pilot reports were still not available) and the pressure to ensure the GoTL budget allocation for O&M was well spent. This matter has been discussed by the MRG in detail in Section 2.2.
- Concerns re the lack of progress with sanitation (both the supply and demand sides) and the lack of knowledge about the work that has been undertaken by BESIK. This has been discussed in detail in Section 2.3.
- Mixed feedback about the quality of capacity development but agreement that it was critical if the GoTL was going to manage RWASH on its own. This is discussed in more detail in Section 2.6.
- MOPTC is concerned about the subcontracting process (where subcontracts they are asked to sign are based on Australian law (Victorian State law) rather than Timor-Leste law). It was the Directors view that any documents they were asked to sign should be grounded in Timor-Leste Law. This is a matter that has been already discussed with the PD but requires further follow-up from the PD.

Discussions with Directors around the Management Committee were encouraging. There is a growing understanding of the role the committee can play in directing the work of BESIK. While BESIK is seen to drive the agenda at this stage Directors recognise the need for the committee to take greater control of both the agenda and the minutes. Recent meeting records suggest the group is coming to understand its role and responsibilities. The challenge for the Management Committee is to ensure it is able to provide informed and cohesive strategic direction to BESIK as well as guidance on more operational matters.

The MRG notes the lack of progress on the implementation of the proposed DFAT Fiduciary Risk Assessment (an issue consistently raised during MRG 1 and touched on during MRG 2). The MRG encourages DFAT to consider commissioning a Fiduciary Risk Assessment for DGAS, sooner rather than later. The MRG notes that DFAT and/or parties may commission FRAs for purposes other than BESIK's strategies and desired outcomes. A FRA was conducted for MS in late 2014.

Recommendations:

15. DFAT and BESIK to provide greater clarity about the roles, responsibilities and decision making powers of DFAT, the PD, the Operations Manager and advisers.
16. GoTL and BESIK to work together to develop a transition (exit) strategy early in the next phase of BESIK. To support the transition, BESIK and GoTL should continue to work towards “one plan, one budget, one system”.

2.6 Capacity development framework

What is the quality of the draft capacity development framework?

MRG 1 raised concerns about the lack of a foundation for sound capacity development (CD). At that time, there was a varied understanding amongst stakeholders of what CD was, how it was carried out and how it was measured – there was no common language for CD within the program or with GoTL partners. Resources were being directed at ‘parts’ of CD and it was not clear how they worked together to address priority capacity needs that constrained service delivery. MRG 1 recommended that BESIK 2 clearly articulate its CD strategy/framework, establish a common language for CD and ensure CD was integrated into the M&E Framework.¹⁵ The MRG also encouraged BESIK to continue to take a pragmatic approach to CD.

BESIK delivers a wide range of CD activities at individual, team, organisational and enabling environment levels. While BESIK must ensure CD efforts are well targeted at priority areas that have been identified in partnership with the GoTL (as the planning process intends), GoTL must provide leadership to ensure CD efforts are directed at government priorities to ensure sustainability.

MRG 2 found the BESIK team is developing a shared understanding of capacity development although this remains variable across the team. Under the guidance of a CD STA, CD was placed at the forefront of the BESIK work planning process for 2015. The process was ‘intended to ensure plans were (i) grounded in GoTL priorities (ii) show BESIK’s role in helping GoTL to achieve these priorities and (iii) articulate the specific capacity development activities that BESIK will undertake to help GoTL to achieve this’.¹⁶ The results of this process are documented in comprehensive but relatively complex spreadsheets – the BESIK 2 Capacity Development Planning and Reporting Matrix. While the process provides an integrated and consultative approach to CD planning and program management, feedback from advisers suggests there is a way to go before it is fully understood or valued. The process has been documented in a draft CD Framework document which is technically sound. Since the MRG 2 mission it has been reviewed to ensure its content is

¹⁵ MRG 1 Report. Section 2.2.

¹⁶ Notes from CD STA.

accessible and understandable to advisers and able to be drawn upon in discussions about CD with GoTL partners.

In its feedback on the draft MRG Report, DGAS noted that most of the CD work has been with BESIK staff and not government staff. DGAS identified the need for the development of the capacity of government managers and staff in the area of CD to support longer term sustainability. This is an area for further discussion with the Management Committee for current activities and within the context of the development of an exit strategy.

To what extent has advisor resourcing been appropriately pitched, given a) GoTL objectives; b) current workloads and c) expected workloads?

MRG 1 raised concerns about the ‘footprint’ of BESIK. BESIK is a large program that works with a relatively small number of GoTL individual and organisational counterparts. BESIK advisers often struggle to gain access to the Directors who need to make decisions before work can progress, resulting in delays. MRG 2 notes that adviser (and local staff) numbers have increased in the last year and is concerned that adviser resources have not been adequately directed at priority areas such as O&M and PAKSI resulting in less than successful pilot programs (discussed in Sections 2.2 and 2.3). MRG 2 also questions if the current skill/role mix of some advisers is appropriate (also touched on above).

Given the impending reduction in the BESIK budget, and the need to redirect resources to areas of priority, the MRG proposes that BESIK and GoTL jointly review BESIK’s resourcing to determine a more suitable future structure. Implementation of the new structure should be determined by the urgency of the operational needs and the impending re-tendering of the Managing Contractor role. This will not be an easy process and will place the BESIK team under considerable stress which is likely to affect the program’s performance so speed is essential. However, it is not a sensible option to target positions without a proper analysis. A proposed joint process for the redesign is at Attachment D.

An important issue to be examined as part of the restructuring process is the pay structure for national advisers and support staff. PNDS has commenced actively increasing the number of nationals into advisory roles (basically nationalisation of international roles) and has a salary structure that reflects this push. They are developing a proposed salary framework (similar in design to that of the Australian Aid Adviser Remuneration Framework). The MRG supports the move to the use of national advisers where they are available and to an integrated model for remuneration and encourages DFAT to facilitate a program-wide approach to this issue. The MRG notes, however, that within BESIK, most Timorese nationals are engaged as national ‘staff’ not national ‘advisers’. The program’s salary scales reflect this and leave staff being paid mid-way between GoTL public servant pay and national adviser pay rates. The future for these roles should be addressed as part of the plan for BESIK’s phase out.

The MRG noted that in some cases there is a mismatch between the skills and expertise of advisers and the roles they are required to perform. In part this may be attributed to the shifting priorities of BESIK, but it also reflects some lack of common understanding between GoTL and BESIK about roles and responsibilities. The MRG also perceives a reluctance of GoTL, BESIK and DFAT to change advisers when roles and skills do not mix. All of these issues should be taken into account during the restructuring process.

Feedback from DGAS indicates they would like to work with BESIK to ensure they effectively utilise the M&E process and results. Gender and social inclusion strategies are an essential element of RWASH and underpin much of the work that is carried out in both water and sanitation. It is also applicable to all aspects of CD. Public sector capacity development (in financial management, information systems, organisational development, human resource management and learning and development) is an essential foundation for ongoing effective WASH service delivery at both national and municipal levels. The MRG encourages BESIK and GoTL to discuss the cross cutting functions and their contribution to the program and achieve a shared understanding of their importance and the contributions being made.

Recommendations:

17. The BESIK CD STA to work with the BESIK team to ensure the CD Framework is understandable and useable and shared with GoTL partners.
18. BESIK and GoTL to undertake a joint restructuring process as soon as possible to ensure BESIK's structure supports its priorities (strategy) and fits within its revised budget.

2.7 BESIK response to decentralisation

To what extent is BESIK (represented by its Program Design Document (PDD) and annual plan) well placed to respond to decentralisation? What responses (decisions about resources, high-level strategic engagement) are needed to maximise BESIK's relevance within a decentralised service delivery model?

BESIK is well placed to support decentralisation. Its work to date at the district level (both in capacity development and direct service delivery) will support the further decentralisation of rural WASH services. Since its inception, BESIK has supported the capacity development of the DAA through training, provision of resources such as cars, bikes and computers and the development of DAA managers. This continues in 2015 with ongoing coaching, regular cross municipal management meetings and training in the use of computers and financial management. BESIK also continues to support the activities of the DAA sub-district facilitators.

For MS, BESIK supported the establishment of Administrative Post sanitarians and for DNSB Municipal Sanitation Officers. Under the proposed new pilot for PAKSI (involving NGO delivery of PAKSI) BESIK will support the redevelopment of the sanitarian role to ensure effective oversight of NGO delivery.

BESIK is monitoring the decentralisation agenda and will respond with specific support when the picture is clear. In the meantime it is well-positioned to continue to support CD at the district and sub-district levels.

2.8 Quality of engagement with emerging structures and programs

What is the quality of BESIK's engagement with emerging structures and programs in Government, including PNDS and ADN?

BESIK aims to build and maintain relationships with both GoTL and Australian aid program structures and programs. Where appropriate, BESIK supports other programs, for example, providing technical advice to PNDS activities in the districts when invited to do so. BESIK's Progress Report #3 identifies the challenges BESIK faces in relation to its links with PNDS:

While there are examples of good cooperation at a local level between DAA officers and PNDS, so far there have been few practical examples of systematic coordination. Other challenges of different program approaches have been identified (e.g. different salary levels of government staff, payment to community management group members).¹⁷

These challenges appear to remain in 2015. While there is good will and some communication between the PNDS and BESIK this appears to be ad hoc and irregular. Operational level issues continue to arise. For example, PNDS is in the process of recruiting and have selected two BESIK national engineers amongst the new staff being recruited.

Links with ADN are tenuous. ADN is the principal manager of GoTL infrastructure spending and currently manages approximately 700 projects across the country. Some of these are rural WASH projects but WASH does not feature specifically within ADN's four project divisions—roads, bridges, building and irrigation. There are two ADN engineers in each district to supervise all types of GoTL-funded construction. ADN reported that there have been some discussions with BESIK about the BESIK District (Municipal) Rural Water Engineers providing training to ADN engineers on design and construction of rural water supplies. This has not yet occurred. ADN also advised that they have no mandate for planning O&M of the works they construct and that O&M is the responsibility of the line ministries. The implications of this division of responsibility should be considered in DNSA's O&M Pathway. The MRG notes that any BESIK involvement with ADN should be coordinated through DGAS.

2.9 Gender and social inclusion

'DFAT has highlighted gender equality and women's empowerment as a priority area for all aid investments, with a minimum target that 80% of its aid investments adequately address gender issues ...'^[1] Gender and social inclusion are crucial underpinning elements of RWASH and have

¹⁷ Progress Report #3. Page 7.

^[1] Progress Report #4, Page 52

been integrated (mainstreamed) into all aspects of the BESIK program. In the last year achievements include^[2]:

- mapping gender issues related to female SDF and Sanitarian staff in five districts (the two main issues identified are related to mobility and maternity leave) and working with GoTL to respond to the issues
- integrating gender into CD and work planning for all aspects of BESIK
- development and delivery of new manual for 76 Government community facilitators to use that have a strong gender and social inclusion focus
- development of five gender equality principles for programming and workplaces – incorporated into the Public Finance Instructions for the Municipalities approved by Government
- strengthened gender and social inclusion focus in the development of the water resource management policy (gender in policy checklist for monitoring progress developed)
- monitoring PAKSI triggering, GMF training and CAP and developing monitoring tools that are to be used by BESIK and government program staff
- finalising the draft Menstrual Hygiene Management report and working with GoTL to implement recommendations
- raising the awareness of BESIK government program staff of disability issues in their program areas.

When visiting Bobonaro, the MRG was impressed with the work of the female Sanitarian and Sanitation Officers involved in PAKSI implementation. They demonstrate the capacity of women to work effectively in a difficult and challenging environment. This contradicted the consistently expressed view of District (male) staff that women were not suited to positions where they had to travel distances into isolated rural areas. The MRG acknowledges that the environment is difficult however the evidence is very clear – women can do great work when given the resources and support they need. As it acknowledges, the challenge for BESIK lies in influencing underpinning institutional values and behaviours to ensure women are supported to do their work effectively. This is a long-term cultural change that will take years of attention to achieve.

BESIK recently wrote a gender and institutional issues paper, which focused on issues raised from consultations of other DFAT rural development programs, as well as human resources data from DGAS. Most of the issues were the same across all programs and their counterpart directorates. The paper acknowledges that many of the issues raised are beyond the influence of individual programs and counterpart directorates, and part of more systemic reform under the strategic management of the Civil Service Commission (CSC). In the most recent DFAT 'Gender Week', these

^[2] As above.

issues are being taken up by the DFAT Governance program, G4D, in its work with the CSC. Closer to home, BESIK is working with the Gender Working Group in the Ministry of Public Works as well as the DNSA Municipality Managers in institutional strengthening related to gender equality reform.

3. Management Questions

While the MRG is not tasked to provide direct answers to the management questions (its role is to provide evidence to *inform* those decisions) this section provides additional comments that may assist with the management questions detailed in the MRG2 ToR.

3.1 Advisers

Possible changes to the number and balance of advisers, including (national and international) under new contract?

A proposed process for determining the new structure of BESIK is at Attachment D. The MRG encourages DFAT and BESIK to move on this as soon as possible—ad hoc decisions on individual roles is not good practice. However, to address critical program management issues in the short term MRG proposes that existing advisers be allocated fulltime to O&M and PAKSI. It would also be sensible for BESIK to take opportunities to downsize and/or shift to national advisers as existing contracts conclude where it is possible to do so without damaging program quality. The MRG encourages greater use of national advisers and supports the development of a program wide remuneration framework for national advisers and staff based on the work emerging from PNDS.

3.2 Team Leader role

Definition of Team Leader roles and responsibilities, and management structure under the new contract (and any related interim changes).

It is the MRGs understanding that DFAT has already made the decision to move to a Team Leader (TL) model for the next phase of WASH support. The MRG supports this approach in view of the challenges faced with the PD model since its inception. Several lessons emerge for the future:

- DFAT must be very clear about the responsibilities and decision making powers that do, and don't, sit with the TL.
- These must be conveyed clearly and regularly to GoTL and other partners.
- Where possible, the TL should have the power to make the final decision on program delivery, within the scope of the management contract, without recourse to DFAT.

Attachment E provides a list of possible responsibilities for the TL role that can be used as a starting point for discussion with GoTL partners.

BESIK has struggled to develop an effective governance structure but the recently established Management Committee is showing positive signs. The MRG suggests that this structure continue

under the next BESIK contract and that it be given the attention needed to ensure it develops into a strategic as well as a management body.

3.3 Capacity development framework

Finalisation and implementation of capacity development framework.

The CD framework has been implemented throughout the last year as it was being developed. This involves an iterative process, documented in the CD Framework document. This is currently being reduced in size and complexity to make it more accessible. BESIK 2 would benefit from a detailed review of the processes once it has been in operation for two planning cycles (i.e. later in 2015). Conceptually the Framework is sound but may be too complex for the current Timor-Leste environment.

3.4 Policy engagement

Prioritisation of policy engagement with the new GoTL.

BESIK continues to work on two major policies—Water Resources and Water Supply. Both policies have been in draft form for several years and the content is widely endorsed within DGAS. BESIK report that they are soon to be forwarded to the Council of Ministers. The MRG's view is that once these policies are approved, BESIK should prioritise working on strategy documents in its two core areas of sanitation and water supply O&M. Both these areas require a government endorsed strategy document. For sanitation, this should commence with finalising a PAKSI Roadmap, as one element of a broader Sanitation Strategy. For water supply, focus should be on drafting the O&M Pathway. Both documents need full ownership by relevant GoTL Directorates. For DNCQA, BESIK plans to support preparation of strategies to implement the Water Resources Policy. MRG 2 supports this proposal but only if the work is sustainable i.e. that DNCQA provides leadership and ownership.

3.5 Annual planning and review

The next annual update to the BESIK program logic and development of the next annual plan and budget.

This report should provide support to the development of the next annual plan and budget. It is imperative that resources are directed at priority areas, particularly O&M and PAKSI. The plan must reflect any consolidation or reduction in BESIK staffing that occurs in response to reductions in the program budget. The MRG notes that BESIK staff already has a demanding workload. A reduction in staff must be accompanied by a sharper focus for the program and a reduced scope of activities. The Program Director must take a lead role in facilitating senior BESIK staff members to analyse their programs and identify how both scope and resourcing can best be reduced. The Program Director must also work to better integrate the support of cross-cutting advisers into the priority areas.

4. Priority Recommendations

Recommendations have been made throughout the report and are listed in the table at Attachment F to support ease of reporting. MRG 2 proposes the following recommendations be made a priority and implemented as soon as possible:

No.	Priority Recommendations
3	BESIK to allocate at least one fulltime, dedicated resource from within the existing Water Services Team to develop and manage implementation of the O&M program.
5	BESIK and GoTL to develop and implement the National Pump Program (NPP) as an integrated part of the O&M pathway. BESIK to use the NPP process as an opportunity to test a new approach to designing and managing pilots.
8	A full-time BESIK MS adviser with the appropriate skills to be tasked with leading BESIK's support for PAKSI.
11	BESIK and GoTL to clearly align piloting of sanitation supply-side approaches with PAKSI delivery and commence in areas where there are already large concentrations of recently-declared ALFA (ODF) communities.
13	BESIK to integrate school WASH improvements into its current core activities rather than seeing school WASH as a separate sub-program.
15	DFAT and BESIK to provide greater clarity about the roles, responsibilities and decision making powers of DFAT, the PD, the Operations Manager and advisers.
18	BESIK, DFAT and GoTL to undertake a joint restructuring process as soon as possible to ensure BESIK's structure supports its priorities (strategy) and fits within its revised budget.

Attachment A: BESIK Program Logic (Revised June 2014)

DFAT AIP Goal	People's lives improve: healthier, safer, more productive							
End-of-Program Objectives	WATER SUPPLY 2. Rural communities have sustainable and equitable access to/ utilization of safe water			SANITATION 3. Rural communities and selected schools have sustainable & equitable access to and utilization of improved sanitation and hygiene facilities.				
Community and Household level	2.5 GMFs and communities maintain their water supply systems and participate in the planning and monitoring of water system construction and complex repairs.			3.6 Rural households adopt target hygienic behaviours.	3.7 Rural households construct/purchase and maintain hygienic latrines.	3.8 Students and school staff in target schools adopt hygienic behaviours and maintain hygienic sanitation facilities.		
Private sector and NGO	2.4 Private sector (suppliers, contractors and NGOs) provide high quality and cost effective RWS services to the GoTL and community clients.			3.5 Private sector (contractors, marketing companies, suppliers and NGOs) provide high quality and affordable sanitation and/or hygiene promotion related products and services to their GoTL and community clients.				
Government service delivery (national, district, sub-district)	2.1 DNSA effectively performs its functions to plan, manage and oversee the quality of rural water system construction and rehabilitation	2.2 DNCQA effectively performs water resource management functions critical to sustainable water supply.	2.3 DNSA support communities to plan and manage rural water system operations and maintenance	3.1 DPES, SDS and SSS deliver effective hygiene behaviour change campaigns.	3.2 DNSB effectively promote the marketing and socialization of basic sanitation services and other issues of public sanitation and hygiene.	3.3 DSA, SDS and SSS deliver effective sanitation promotion programs.	3.4 MdE and MdS deliver effective sanitation and hygiene behaviour change programs in selected schools.	
DGAS, MOPW systems	1.3 MoPW and DGAS more effectively manage human, financial and material resources (HR, budgeting, planning, monitoring) for equitable and sustainable service delivery.*			* Note: BESIK will coordinate with DFAT Health Program and Governance for Development to support overall MdS management systems(1.3) and influence budget allocations (1.2).				
Whole-of-Government systems level	1.1 DGAS and MOH develop and implement coherent national policy framework for Water and Sanitation service delivery.							
	1.2 Government of Timor-Leste allocates adequate resources to water and sanitation service delivery*.							
	1. All levels of government have improved systems for effective policy development, planning and management for RWASH							

Attachment B: Reference Documents

Author	Date	Title
AusAID	2009	Australia - Timor-Leste Country Strategy
AusAID	2011	BESIK 2012-2020 Design Document
BESIK	2013	Framework for BESIK Rural Water System Operation and Maintenance (O&M) Pilot Projects in Timor-Leste
BESIK	2014	2014 Annual Work Plan
BESIK	2014	2014 Annual Work Plan Update
BESIK	2014	Activity Proposal: Market-based approach to Sanitation: A pilot project
BESIK	2014	BESIK 2 Six Monthly Progress Report #3 January – June 2014
BESIK	2014	BESIK II Capacity Development Planning and Reporting Matrix
BESIK	2014	DRAFT Capacity Development Framework
BESIK	2014	M&E Plan Update #1
BESIK	2014	Summary and Full Minutes of October 2014 Management Committee meeting
BESIK	2015	Analysis of user satisfaction survey Tapo system – Bobonaro (powerpoint presentation)
BESIK	2015	BESIK 2 Six Monthly Progress Report #4 July – December 2014
BESIK	2015	BESIK Organogram
BESIK	2015	Draft 2015 Annual Work Plan
DFAT	2011	BESIK 1 Independent Completion Report
DFAT	2011	BESIK Program Design Document
DFAT	2014	Aid Program Performance Report 2013-14
DFAT	2014	Memo re PAKSI Sanitation Pilot
GoTL & GoA	2011	Strategic Planning Agreement for Development Between The Government Of Timor-Leste and The Government Of Australia (SPAD)

Attachment C: People/Agencies Consulted

Agency	Position	M	F
Australian Department of Foreign Affairs and Trade	Ambassador	1	
	Program Director, BESIK	1	
	Counsellor, Rural Development		1
	First Secretary, Rural Development	1	
	Senior Coordinator, Rural Development (for BESIK 2)		1
	First Secretary Aid Management	1	
	First Secretary, Community Development - PNDS team		1
	Coordinator, Community Development-PNDS team		1
Ministry of Health	Director General	1	
	Director, Community Health Services		1
	Director DNSP (Direasaun Nasional Saude Publica/National Directorate of Public Health)	1	
	Head of Environmental Health Department		1
	School Health Officer		1
	Sanitation Officer		1
	Hygiene Officer		1
	Head of Health Promotion and Education Department	1	
Ministry of Public Works, Transport and Communications	Director General	1	
	Adviser to DG on Water and Sanitation		1
	Director, DNSA	1	
	Department Head, Program and Technical Support, DNSA	1	
	Director, DNCQA	1	
	Deputy Department Head, Program and Technical Support, DNCQA	1	
	Department Head, Water Quality, DNCQA	1	
	Policy and Strategy, DNCQA		1
	Director, DNSB	1	
	Head, District Sanitation Services, DNSB	1	
	Technical Officer—Environment, DNSB	1	
Coordinating Minister of Social Affairs, Service Delivery Unit	National Adviser	1	
	Consultant	1	

Agency	Position	M	F
National Development Agency	Deputy Director, National Development Agency	1	
Bobonaro District	District Administrator	1	
	Deputy Director, Health Services	1	
	Saniammentor	1	
	Sanitarian		1
	DPHO		1
	SAS Manager	1	
	DTO (District Technical Officer)	1	
	BESIK District Community Devt Officer (DCDO)	1	
	Director, NGO - FMH for Tapo System	1	
	Technical Officer, NGO - FMH for Tapo System	1	
	Social Officer, NGO - FMH for Tapo System		1
	Field Coordinator, NGO - FMH for Tapo System		
Bobonaro District, Riafun Suco	Chefe Aldeia	1	
Bobonaro District, Bobonaro Sub District	Women (and children) of the village	1	4
BESIK 2	Associate, Aurecon		1
	Operations Manager	1	
	M&E Adviser		1
	GESI Adviser		1
	Senior Water Services Adviser	1	
	District Water Services Adviser	1	
	District Water Services Adviser	1	
	District Water Services Adviser	1	
	BCC Adviser		1
	Environmental Health Adviser	1	
	Sanitation and Hygiene Officer	1	
	Sanitation Adviser		1
	PFM Adviser	1	
	Water Resources Adviser	1	
	Short Term Consultant for Training		1
	HR/OD Adviser		1
	IMS Adviser	1	
	CD Adviser		1
WaterAid	Country Director	1	
UNICEF	Chief, WASH Sector Specialist	1	
Total (67)		41	26

Attachment D: Redesign of BESIK 2 Structure

Introduction

BESIK 2's priorities and focus are changing and its funding envelope is to be reduced. To respond to these challenges, BESIK 2 human resourcing (advisers and locally engaged operational staff) need to be restructured.

Principles

The principles that should underpin the restructuring process are:

- Structure must follow strategy – resources should be clearly directed at the program's priorities.
- It should be a joint process with GoTL partners.
- The funding envelope and staffing costs should be transparent. This includes the actual costs of an adviser (an average cost should be used). This is to ensure that GoTL and BESIK decisions about international advisers vs local advisers vs local staff are made with the full knowledge of the costs and benefits.
- It should be done quickly to minimise the pressure on the BESIK team.
- It should be facilitated by an experienced independent consultant who can act as the manager of conflicting views¹⁸

Redesign approval

The process should ensure that all those with a vested interest in the structure of BESIK have the opportunity to input into deliberations. However, it must be made clear throughout that process that final decision making will be made by DFAT and GoTL through the Management Committee.

Process

In terms of process it is proposed:

- A consultant be appointed to carry out the redesign
- The consultant to meet with DFAT, MOPTC (DGAS, DNSB, DNSA and DNCQA) and MS (EHD, DNSP, DNSC and HPD) to identify:
 - what is currently being done by BESIK? (current functions)
 - what should be done by BESIK based on the PDD and annual work plan?(proposed functions)?
 - therefore what functions should be discontinued or reduced?
 - what proposed functions could be done more efficiently?

¹⁸ The MRG did consider proposing the use of the BESIK HROD adviser but felt that it would compromise her capacity to do her own job (the redesign will take time) and place her in a difficult position within the team.

- what should BESIK's structure be to carry out the proposed functions?
- The consultant should also meet with each of BESIK's teams to gather their responses to the above questions.
- Based on all consultations the consultant should develop a **costed first draft structure**.
- Stakeholders should then be given the opportunity to comment on the first draft structure – the process for this to be determined with each stakeholder group (i.e. meeting, written feedback etc) but timing should be kept very tight (no more than one week if possible)
- The consultant to consolidate the comments from the feedback process and develop a **costed second draft structure**
- The consultant should then facilitate a meeting with the Management Committee to agree the recommended structure

In preparation for the above process it will be necessary to:

- Establish the funding envelope for human resources
- Establish average costs for the various options - international advisers vs regional advisers vs national advisers vs locally engaged staff
- Ensure participants understand the restructuring process, the decisions to be made and the timeframe
- Ensure stakeholders understand the contribution the cross cutting advisers make to the overall program
- Ensure there is an objective, shared understanding of the likely availability of national advisers
- Ensure participants understand any functions dictated by DFAT that are not negotiable (for example, GESI and M&E)

The Management Committee should:

- Agree the ground rules for the process
- Reaffirm BESIK's priority areas of work and functions
- Review the proposed structure and costs
- **Endorse the proposed structure as is or with agreed variations**

Follow-up

Follow-up work will be needed to:

- develop job descriptions that specify in more detail the work to be done, the skills and knowledge required to do that work for each agreed position and selection criteria
- match current staff to the new positions where they meet the selection criteria
- identify positions that will need to be recruited
- assist people who no longer match the structure to leave BESIK

Transition Strategy

BESIK, with support from the consultant, should develop a transition strategy that shows how the move to the new structure will be made and the support processes for staff.

Risks

Restructuring is a challenging process and all those involved come with their own agendas. The preparation work can reduce the impact of those agendas by ensuring stakeholders are well informed and well prepared. Establishing ground rules at the start can also assist. A good consultant is essential.

Changing resourcing is challenging, particularly when advisers have been in place for a long time. A transition strategy will be needed to progress to the new structure over a period of time. GoTL members should be encouraged to consider other sources for advisers external to BESIK where their requirements do not 'fit' with the program. Providing in line capacity is unlikely to be an option for BESIK.

Attachment E: Suggested Team Leader Responsibilities

Program Management

1. Lead and manage implementation of BESIK to ensure that program outcomes and results are achieved in accordance with the 2011 Program Design Document, the 2015 Refresh Document and Annual Work Plans.
2. Support the development and maintenance of an effective working relationship between GoTL and GoA.
3. Manage and develop strong working relationships with internal and external stakeholders, including GoTL, GoA and non-government partners. Ensure all personnel of the BESIK team develop and maintain collaborative working relationships with partners.
4. Develop and oversee monitoring and evaluation processes for the program in collaboration with the M&E adviser and GoTL partners. Develop and maintain a strong staff culture of reflection and learning to ensure program monitoring is regularly utilised to improve program performance.
5. Ensure cross-cutting issues relevant to the program such as gender, environment and disability are fully integrated into program delivery.
6. Ensure capacity development is integral to all aspects of program delivery.
7. Anticipate, identify and manage risk issues relevant to the program.
8. Participate in management and governance structures as appropriate.

Operations Management

9. Support the program to meet requirements stipulated in the Scope of Services, consistent with the intent of the original Program Design Document and the Refresh document.
10. Manage in-country staff of the program, including primary responsibility for recruitment and performance management. This will include direction and supervision of international advisers and national staff.
11. Manage, analyse and report on financial information, including developing and monitoring budgets and expenditure.
12. Lead or support development of all program systems and procedures including sector strategies, cross-cutting plans, research plans and studies, etc.
13. Develop all program reporting including six-monthly progress reports, annual work plans, completion reports, budgets and an exit/transition plan.

Attachment F: Recommendations

Issues/ questions	MRG 2 Recommendations	Responsibility
O&M	1. DNSA to provide clear direction to the BESIK team about their requirements for O&M, play a leadership role in finalising the O&M Pathway and supervise the pilots.	Director, DNSA BESIK PD DFAT
	2. O&M to be the highest single priority of the Rural Water Supply technical team in 2015 onwards.	BESIK PD
	3. BESIK to allocate at least one fulltime, dedicated resource from within the existing Water Services Team to develop and manage implementation of the O&M program.	BESIK PD
	4. Development of the O&M Pathway to draw upon expertise from all areas of BESIK advisory support and from GoTL expertise.	BESIK PD RWSA
	5. BESIK and GoTL to develop and implement the National Pump Program (NPP) as an integrated part of the O&M pathway. BESIK to use the NPP process as an opportunity to test a new approach to designing and managing pilots.	Director, DNSA BESIK PD RWSA Team
	6. BESIK to review the current O&M trial activities against the strategies detailed in the O&M Pathway. Ensure that any further work on these systems clearly fits within the Pathway and is designed and executed to build the O&M evidence base.	BESIK PD Team Leader, BESIK Water Services Team
	7. DFAT to seek opportunities to strengthen the resolve of GoTL senior leaders at ministerial level, to continue to fund WASH-sector O&M, in particular with Ministry of Finance and Ministry of Public Works, Transport and Communication.	Ambassador Counsellor, Rural Development BESIK PD
PAKSI	8. A full-time BESIK MS adviser with the appropriate skills to be tasked with leading BESIK's support for PAKSI.	BESIK PD
	9. Develop a revised approach to PAKSI management arrangements that builds upon BESIK's experience of previous PAKSI delivery and that of other WASH agencies in Timor-Leste.	Nominated BESIK MS Adviser
	10. BESIK to move quickly to support strengthening of the supply side of sanitation.	BESIK PD

Issues/ questions	MRG 2 Recommendations	Responsibility
		BESIK Sanitation Adviser
	11. BESIK and GoTL to clearly align piloting of sanitation supply-side approaches with PAKSI delivery and commence in areas where there are already large concentrations of recently-declared ALFA (ODF) communities.	Director, DNSB BESIK PD BESIK Sanitation Adviser
	12. MS and DNSB to strengthen communication so that MS staff at national and district levels are fully aware of sanitation supply-side activities.	Director, DNSB Head, Department of Environmental Health (MS)
Support to schools	13. BESIK to integrate school WASH improvements into its current core activities rather than seeing school WASH as a separate sub-program.	PD
	14. BESIK to support school sanitation through the PAKSI and sanitation marketing activities and water supply as part of O&M of community water supplies. Improvements made to school WASH through these mechanisms should be consistently reported upon.	PD Water Services Advisers MS Advisers
GoTL ownership and commitment	15. DFAT and BESIK to provide greater clarity about the roles, responsibilities and decision making powers of DFAT, the PD, the Operations Manager and advisers.	DFAT Senior Coordinator, Rural Development PD
	16. GoTL and BESIK to work together to develop a transition (exit) strategy early in the next phase of BESIK. To support the transition, BESIK and GoTL should continue to work towards “one plan, one budget, one system”.	Team Leader, BESIK 3 DG, MS DG, MPWTC
Capacity development	17. The BESIK CD STA to work with the BESIK team to ensure the CD Framework is understandable and useable and shared with GoTL partners.	CD Adviser PD
	18. BESIK and GoTL to undertake a joint restructuring process ASAP to ensure BESIK’s structure supports its priorities (strategy) and fits within its revised budget.	PD DG, MS DG, MPWTC

