Parseria Hametin Dezenvolvimentu Suku no Administrasaun Munisípiu

Timor Leste and Australia

Partnership to Strengthen Village Development and Municipal Administration

PARTISIPA

Investment Design Document

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# Acronyms and Terminology

|  |  |
| --- | --- |
| AGB | Aid Governance Board |
| AUD | Australian Dollars |
| AWP | Annual Work Plan |
| CSO | Civil Society Organisation |
| DFAT | Department of Foreign Affairs and Trade (Australia) |
| DNSA | National Directorate for Water Services |
| EOIO | End of Investment Outcomes  |
| EU | European Union |
| FST | Field Support Team |
| GEDSI | Gender equality, disability and social inclusion |
| GfD | Governance for Development |
| GMF | Water User Group |
| GoA | Government of Australia  |
| GoTL | Government of Timor-Leste |
| ICT | Information Communication Technology  |
| LGBTQI  | Lesbian, Gay, Bisexual, Transgender, Queer and Intersex |
| M&E | Monitoring and Evaluation |
| MC | Managing Contractor |
| MEL | Monitoring, Evaluation, and Learning |
| MIS | Management Information System |
| MoPW | Ministry of Public Works |
| MSA | Ministry of State Administration |
| O&M | Operations and Maintenance |
| PARTISIPA | Partnership for Strengthening Village Development and Municipal Administration  |
| PDIM | Integrated Municipal Development Program |
| PFM | Public Financial Management |
| PHD | Australia-Timor-Leste Partnership for Human Development |
| PNDS | National Program for Suku Development |
| PNDS-SP  | PNDS Support Program |
| Postu | Administrative Posts |
| R&M | Rehabilitation and Maintenance |
| SMASA | Municipal Water, Sanitation, and Environment Services |
| Suku | Village |
| TA | Technical Assistance |
| UNDP | United National Development Program |
| USD  | United States of America Dollars |
| WASH | Water, Sanitation and Hygiene |

1. Executive Summary

Australia has an abiding interest in working with the Government of Timor-Leste (GoTL) to achieve its goal of a prosperous and strong nation. PARTISIPA is a new ten-year AUD80 million investment (2021-2031) to assist the GoTL to improve the access and quality of basic infrastructure and services, in support of stability, human development and economic growth.

PARTISIPA will work in partnership with national and subnational governments to strengthen policies, systems and skills to improve the delivery of decentralised services and village level infrastructure. Improving the operations and maintenance of rural water will be a priority. PARTISIPA will continue Australia’s long-term support for the national village development program and its critical community driven development processes to enhance community resilience, social inclusion and economic opportunity.

## Context

Timor-Leste has made considerable progress since its independence in 2002, transitioning out of conflict and improving key development indicators such as maternal and child mortality. It is South East Asia’s strongest democracy. Guided by its *Strategic Development Plan 2011-2030 (SDP),* Timor-Leste aspires to reach upper-middle income status, eradicate extreme poverty, and diversify its economy by 2030.

Key development challenges remain if it is to achieve the goals set out in the SDP. Timor-Leste has the highest multidimensional poverty rate (46 per cent) in Southeast Asia and ranks 131 out of 189 on the Human Development Index. Investment in new and better maintained basic infrastructure is needed as well as better quality services – a quarter of households do not have access to safe drinking water, 70 percent of core rural roads are in poor condition and only half of the population have adequate coverage of essential health services. The voices and needs of women, girls and persons with a disability continue to be deprioritised in decision-making and service delivery.

Timor-Leste has an improving but difficult governance context. The GoTL budget is almost entirely dependent on income from oil and gas production and investment from the Petroleum Fund. Although spared a widespread COVID-19 outbreak at this stage, the World Bank has predicted the deepest economic shock for Timor-Leste since Independence with a contraction of up to a ten per cent forecast for 2020. This threatens the GoTL’s ability to invest in economic growth and human capital across Timor-Leste’s municipalities and villages (sukus), where the state’s reach remains limited. The GoTL has embarked upon a decentralisation process to deepen democratic accountability and facilitate responsive service delivery. However, planning, budgeting, human resource management and reporting as well as accountability mechanisms at the subnational level are under-developed. GoTL plans to develop revised policies and strategies for local development, including updating the Village Law and expanding the remit of the National Village Development Program (PNDS), and is seeking GoA technical support in their design.

PNDS has been a key mechanism for the government to channel resources to Timor-leste’s 452 sukus. Established with the support of the Australian aid program in 2012, PNDS enables communities to plan, construct and manage their own prioritised small-scale infrastructure projects. As well as providing much needed infrastructure and basic services at a national scale, the program is an important mechanism for skills development, short-term work opportunities, community governance, gender equality and local economic development. PNDS remains critical as Timor-Leste responds to the impacts of COVID-19 – as an important instrument for employment and boosting local economies through the development of key productive and public infrastructure.

## Strategic Intent and Rationale

As [Australia's Foreign Policy White Paper](https://www.fpwhitepaper.gov.au/foreign-policy-white-paper/chapter-seven-shared-agenda-security-and-prosperity/supporting-timor) highlights, a strong and prosperous Timor-Leste is of fundamental importance to Australia. Australia is Timor-Leste’s leading development partner and supports priorities outlined in the GoTL’s SDP. PARTISIPA will directly contribute to these objectives by creating jobs and stimulating local economic activity through village infrastructure projects, improving access to water and infrastructure for services to be delivered, increasing participation in community level decision making and improving governance at the sub-national level. PARTISIPA is also a cornerstone of Australia’s strategy to assist Timor-Leste manage the impact of COVID-19 under *Partnerships for Recovery: Australia’s COVID-19 Development Response* and is strongly aligned with theGoTL’s *COVID-19 Economic Recovery Plan*, specifically by increasing labour-intensive public employment programs, improving service delivery infrastructure and water supply and accelerating decentralisation reforms.

PARTISIPA continues Australia’s long-running and effective partnerships with the Ministry of State Administration and Public Works while also building on nascent relationships with Municipal Authorities in response to decentralisation. PARTISIPA will provide Australia with a nation-wide footprint of development assistance and a line of sight along the chain of essential infrastructure and basic services to villages. The Australian aid program already works with central and service delivery agencies through other investments, but to expand impact, the Australian aid program needs to continue work with the government to draw services down from Dili to Timor-Leste’s rural villages where most Timorese live, while also providing a feedback loop to the centre to address constraints. PARTISIPA support focused on sub-national government administration and capability for service delivery form an important and complementary part of Australia’s integrated suite of development investments.

## Outcomes

**PARTISIPA will contribute to the achievement of two Goals: Timor-Leste is a prosperous and strong nation and Australia has deep and enduring relationships across Timor-Leste. These two goals are intentionally ambitious and reflect the aspirations of both Australia and Timor-Leste. The AUD80 million investment in the ten-year PARTISIPA program represents one of Australia’s largest commitments to the people and government of Timor-Leste and carries commensurate hopes.**

**The objectives of the program are to strengthen government institutions to deliver quality services that are accessible to all, and to support the resilience of communities through broad based participation, economic opportunity and improved village infrastructure. PARTISIPA will have four End of Investment Outcomes (EOIO) that are expected to be achieved over the ten-year investment.**

EOIO 1: All citizens benefit from improved access and quality of infrastructure and services by 2031

EOIO 2: National Government better addresses the infrastructure and services needs of villages

EOIO 3: Sub-national governments better coordinate and deliver their mandated infrastructure and services to villages

EOIO4: Communities participate in village decision making, construction and maintenance of their infrastructure

EOIO 1 focuses on the critical role government plays in ensuring quality and essential infrastructure and services reach Timorese citizens. This investment is expected to achieve improvements for all 452 villages and therefore for all Timorese.

**EOIO 2, 3 and 4 reflect the differentiated roles that levels of government administration play in achieving better human development and economic outcomes. The inclusion of national, municipal, and postu levels of administration in this program recognises that each has different roles and responsibilities (i.e. mandates) in delivering infrastructure and services to villages, yet they are interdependent in achieving successful delivery. Tight coordination and feedback loops between all levels of government and communities enable government to understand and respond to needs and enable citizens’ voices to be heard. In the context of decentralisation, outcomes for Timorese people will be increasingly achieved when all levels of government and administration are working well together.**

## Implementation Approach

PARTISIPA outcomes will be achieved through the implementation of activities across three inter-linked program components that operate at national and sub-national levels of government administration. PARTISIPA will focus on strengthening and partnering with government staff and systems to benefit communities, rather than directly working with communities. Decisions regarding points of entry and issues to address will change over time and be dependent upon opportunities for change i.e. where the political-economy and/or bureaucratic space is open to working with PARTISIPA towards reform, enabled by opt-in processes. This design sets out starting points and approaches for PARTISIPA implementation and acknowledges that these strategies may evolve.

Decentralisation in Timor-Leste encompasses an increasing number of sectors and functions: initially honing in on essential infrastructure (PNDS and water) and core administrative functions provides the investment with clear direction and purpose whilst affecting broader governance improvements. For example, efforts to strengthen financial flows from municipality to villages for O&M of water systems can be replicated for O&M of other infrastructure and for other development purposes. In addition, it will ensure that the investment is not spread too thinly, can test approaches, and is measurable. Further, essential infrastructure and services lend themselves to working vertically across the tiers of government administration and horizontally across relevant agencies. The momentum achieved through successes in these initial areas, and the recognition of success, is likely to fuel future focus on other aspects of government delivery.

PARTISIPA will primarily provide technical and advisory support services to ministries and municipal administrations to support the delivery of government systems, leveraging government investment and improving government capability. The program offers efficiencies in having a core set of skills working across all three components. The program will also fund training, M&E and some systems improvements. In 2020, in response to COVID-19, Australia provided AUD7 million in Direct Budget Support to GoTL for additional PNDS grants to support economic stimulus and stability. If resources allow and following careful assessment of fiduciary and development risks, PARTISIPA may use budget support for PNDS grants or municipal service delivery as the program progresses.

**Component One: Supporting PNDS**

Building on a nearly a decade of existing partnership and more than USD50 million in funding by GoTL, PARTISIPA will provide targeted, ongoing support to GoTL implementation of PNDS to benefit all sukus in the country. The flexible and adaptive approach of Australian support has been a strength to date and will need to continue, including carefully tapering off support to the PNDS Secretariat under the Ministry of State Administration as it demonstrates increased capacity to deliver independently.

PARTISIPA will provide mentoring and advisory support, capacity building and training, gender and social inclusion support and assistance with communications, monitoring, evaluation, and learning. PARTISIPA will support the PNDS Secretariat to operate more strategically and coordinate more routinely with sectoral and sub-national counterparts, and to reach out to line agencies and municipalities so that these important program stakeholders feel that their reach, influence, and achievements are expanded by their support for PNDS. PARTISIPA will strategically engage with the Ministry of State Administration as it considers revising PNDS’ mandate and the government’s strategies and laws in support of village development.

PARTISIPA will continue the Field Support Teams that work with PNDS staff based in sub-national locations. These teams will have an expanded mandate across all three components of PARTISIPA and provide close technical and mentoring support to government staff in municipalities and postu levels in areas of social development, engineering, water supply, and financial management. These staff will in turn support communities.

Gender equality, disability and social inclusion outcomes have been a significant achievement of PNDS, and PARTISIPA will continue to mobilise expertise to ensure that PNDS planning, implementation and monitoring and evaluation processes increase the visibility, voice, and agency of women, people with disabilities and other marginalised groups. PARTISIPA will develop an ambitious gender and inclusion strategy that provides a sound platform for generating ongoing outcomes, collecting data, and communicating results.

**Component Two: Strengthening sub-national administration**

As decentralisation continues, sub-national governments require support for fundamental administrative systems and processes (such as planning, public financial management, contracting and procurement). The national government has not consistently provided municipalities with clear mandates nor user-friendly policies and guidelines that inform the implementation of designated mandates. Municipalities are therefore trying to implement without foundational systems and without clarity on their roles, responsibilities, or authority.

PARTISIPA will partner with willing municipalities to support them to build their machinery of government and deliver on their mandates. Municipalities that opt-in to PARTISIPA will be provided with a Municipal Adviser and a GEDSI Specialist to assist the Municipal President to plan and deliver services to their citizens. Together they will agree to priority reform areas, outcomes, and a roadmap for change. A menu of options will be established to provide boundaries to the range of investments that the program can make. This will identify both the functional areas that PARTISIPA will support and the types of assistance PARTISIPA can provide. Each municipality will have access to funds to support implementation of plans. These funds may be used flexibly depending upon municipal priorities and may be include technical assistance, training, piloting of programs, and/or other activities.

PARTISIPA will establish a national team of technical advisers with expertise in core administrative functions, such as public financial management and planning. The team will be a roving unit that provides consistent technical support across municipalities and gathers information to feed back up into and inform national level policy and reforms.

**Component Three: Improving O&M of suku infrastructure**

Once built, infrastructure in Timor-Leste can quickly fall into disrepair. Component three of PARTISIPA focuses on extending the life of suku infrastructure and will have an initial focus on suku water systems, with other types of infrastructure possibly being included in the program in future years. The program will only focus on infrastructure that villages hold direct responsibility for under decentralisation.

At the suku level, PARTISIPA will engage with and strengthen suku level water system maintenance committees via two pathways: streamlining suku committees and strengthening these committees. PARTISIPA advisers will work with relevant stakeholders, particularly the Ministry of Public Works, to review, agree and embed a consistent suku level structure to manage O&M of all suku water systems. PARTISIPA will work with national stakeholders to review and revise the legal framework and guidance for this mandate and then work with staff at sub-national level, including postu water and sanitation facilitators, to support suku leadership in implementation.

The rehabilitation and maintenance of rural roads is being decentralised in Timor-Leste. Australian support for the roads sector is currently through the Roads for Development Support Program (R4D-SP), which is expected to conclude in 2022. Support to the sector, and potentially municipal roads, may be incorporated into PARTISIPA in the future to exploit potential linkages – such as consolidating technical assistance to the Ministry of Public Works, improving policy, systems support and capacity building sub-nationally, coordinating labour intensive rural infrastructure programs, enhancing gender and social inclusion approaches, and improving cross-government coordination and links to GoTL’s decentralisation agenda. Like the approach for rural water, support will be provided at different levels of government administration. In consultation with GoTL, DFAT will decide in mid-2021 whether to maintain a standalone roads program, or to integrate support for rural roads into PARTISIPA.

## Implementation Arrangements

The program delivery approach will bring together key elements of Australia’s successful support to PNDS and the water sector, and the emerging priorities of decentralisation and economic recovery. Given the complexity of the program and the need to work adaptively across numerous agencies and levels of government, the program will be delivered by a Managing Contractor. This will enable the Australian government to directly partner with the GoTL to set the strategic agenda of the program thus achieving the goals of enhanced and enduring relationships between Australia and Timor-Leste. The Managing Contractor may establish partnerships with organisations such as NGOs to enhance areas of program delivery, such as GEDSI.

The Managing Contractor will inherit a significant team and suite of activities and will need to continue to support these in the six-month inception period. New activities and areas of support will need to be introduced, and existing ones adapted, scaled-up or scaled back in accordance with emerging policy priorities, evolving needs, and increased local capacity to manage independently.

## Risks

Even without a wider outbreak, COVID-19 is affecting the lives of Timorese people. Income shocks are constraining households’ ability to meet basic needs. Restrictions on international movement have disrupted agricultural markets, business activity and employment prospects in an already fragile economy. The pandemic will continue to cause uncertainty and present risks to Timor-Leste’s population and economy. Australia will continue to be flexible and adaptive to support the government’s response through PARTISIPA’s activities and adjust activity delivery to minimise health risks.

The economic outlook for Timor-Leste presents serious challenges. Unsustainable withdrawals of the Petroleum Fund threaten to reduce GoTL’s ability to invest over the medium term in key basic services including related infrastructure, and economic stimulus programs such as PNDS. This could undermine all three components of the investment and threaten the achievement and sustainability of program outcomes. Australia has contributed AUD7 million in grants funds to PNDS through budget support in 2020. As fiscal constraints tighten the Australian Government may look at further on-budget support for basic services. Over the past nine years, there have been periods of no grants for PNDS. PARTISIPA will have a strong political economy strategy and advocacy plan and help with finalising the new Decree Law to extend PNDS’s mandate. In addition, PARTISIPA’s three component design gives flexibility across the program to redeploy resources to leverage GoTL resources.

Limited Goods and Services budgets have been a recurring issue at national and municipal levels of government in Timor-Leste. As part of the fungible Goods & Services budget category, funds for O&M of basic infrastructure are routinely redirected to plug other budget gaps. This is likely to continue or worsen as the GoTL fiscal position declines, with negative consequences for all three components of PARTISIPA. Australia will need to advocate to “ring-fence” O&M funds for basic infrastructure in villages, while PARTISIPA supports government counterparts to use those funds for their intended purpose.

While the GoTL has a plan and schedule for political decentralisation, it may be delayed due to policy and resourcing gaps or changed due to fluid political leadership and priorities. The consequences of this could be significant given that centralised government systems are generally less responsive and accountable to citizens. Conversely, if political decentralisation is rushed without sufficient investment in systems and capacity sub-nationally, there is a risk that newly elected municipal governments are unable to deliver on their mandate leading to increased multi-dimensional poverty and contributing to social instability as well as recentralisation of service delivery and government functions. These scenarios would make it difficult for PARTISIPA, and all other Australian aid investments, to achieve outcomes, but at the same time make that support more critical. Outcome expectations may need to be adjusted should this risk be realised. PARTISIPA will work with the broader Australian aid program to inform the government of service delivery realities, and work with service providers to have the skills and resources to respond to decentralisation reforms.

## Summary

The PARTISIPA investment will be a central pillar in Australia’s support to Timor-Leste in the coming decade and will help the GoTL shore-up critical functions and services to the population as it comes under increasing economic and fiscal pressure. The investment will strengthen the nexus between state and citizens by helping government to provide tangible benefits to communities that will build citizen confidence in the state. It will maintain a focus on improving voice, access and opportunities to women and people with a disability and in so doing reduce inequalities.

1. Development context and situational analysis

# **Introduction**

Timor-Leste aspires to become an upper middle-income country by 2030 and has set down a clear development agenda through the *Strategic Development Plan 2011-2030 (SDP)*. Despite strong economic and social progress and secured stability since independence in 2002, there are a range of significant challenges facing Timor-Leste that require sustained efforts to overcome. To progress its development agenda, a good deal of work is required across many fronts: strengthened governance and institutional foundations; improved basic services (particularly water and sanitation, health and education); transport and communications infrastructure development; growth of domestic markets and the private sector; and diversification of the economy.

This section describes:

* Timor-Leste’s economic and fiscal situation
* Decentralisation process and status of progress
* Significant Australian aid investments in Timor-Leste and Australian support to the National Program for Village Development (PNDS)
* Experience and lessons relating to the delivery of basic services including the construction and operations and maintenance of community infrastructure
* Gender, disability and social inclusion in Timor-Leste
* Climate change and disaster resilience in Timor Leste

## **Economic and Fiscal Situation**

**Timor-Leste is a post-conflict state, with an improving but precarious governance context**. Risks to stability and development remain ever present with challenges relating to fiscal sustainability flowing from the country’s dependence on oil and gas resources, changing political leadership and the country’s young demographic profile. With 70 per cent of the population under age 30, structurally the economy cannot meet the demand for jobs. Employment opportunities are limited and around 60-70 per cent of the population are subsistence farmers.

Timor-Leste is almost entirely dependent on revenue from oil and gas production and income from the Petroleum Fund, a sovereign wealth fund accumulated from historical savings from oil and gas production. While Timor-Leste has managed to save around USD18 billion in the Petroleum Fund, income from oil and gas exports have steadily decreased and may cease in less than five years without new fields providing additional revenues. Investment income has been steady with a prudent investment strategy delivering returns, but the Fund may face a difficult investment climate in the next few years because of the global COVID-19 pandemic and consequent global economic downturn. This threatens the Government’s ability to invest over the medium term in economic growth and human capital across Timor-Leste’s municipalities and villages (aka suku), where the state’s reach remains limited. Public sector spending dominates the economy. Regular and protracted periods without national budgets have impacted the government’s ability to prioritise and spend resources and thus drive economic growth.

**Timor-Leste has been spared a widespread COVID-19 outbreak to date.** The Government of Timor-Leste (GoTL) has instated national states of emergency, to control the movement of people, goods and services and potential virus transmission.

The proportion of Timorese living below the national poverty line was estimated at almost 42 per cent in 2014, with this cohort unable to meet the cost of basic needs of food, shelter and non-food items.[[1]](#footnote-2) While lockdown measures have successfully arrested the spread of the virus, local communities have witnessed a deterioration in economic livelihoods and declining food security. A Socio-Economic Impact Assessment undertaken by the UNDP in July 2020 found **half of all households were surviving without any income, business revenue was down 63 per cent and 85 per cent of families were engaging in negative coping strategies.**

Weighing the cost of the economic downturn on households against the cost of increased COVID-19 cases, the GoTL is seeking to avert a second crisis with a range of measures that include increases in social protection payments directly to households, and nationwide economic stimulus, including with Australian financial support, through the government’s flagship village development program, PNDS.

## Decentralisation

**To deepen democratic accountability and facilitate responsive service delivery, the GoTL has embarked upon a decentralisation process.** Decentralisation legislation was passed in 2016, and agreements were signed between line ministries and municipalities for the delegation of competencies. The Ministry of State Administration (MSA) is the peak agency for municipalities and the national coordinating body for decentralisation. MSA also houses the secretariat for PNDS. MSA’s capacity to support the decentralisation agenda is critical to GoTL’s success in bringing representative government closer to citizens and extending basic services across Timor-Leste.

**The GoTL has outlined a three-phased approach to decentralisation.** This recognises the substantial capacity gaps that exist at sub-national levels of administration and the extent to which authority and responsibilities can be devolved in different sectors over time. Timor-Leste is well underway in implementing Phase One of decentralisation that establishes the administrative systems, human resources, materials, and finances of municipalities. Most visibly, many staff from across line agencies are now employed by and reporting to the municipal President rather than national line agencies. At the time of writing, between 250 and 400 staff reported to the President, depending on the size of the municipality.

Phase Two of decentralisation sees select functions and programs deconcentrated to municipal administrations to manage. This is also advancing, albeit across different sectors at different rates. The national government has indicated that Phase Three - political decentralisation i.e. municipal elections - will be rolled out in different municipalities at different times. Political decentralisation will be implemented in those municipalities that meet minimum standards / benchmarks that indicate their readiness for self-government. The first municipal elections are expected to be held in 2023, and subsequent years will see more municipalities meet the benchmarks and therefore permitted to hold elections. However, political and budget challenges and uncertainty of policy direction may change the timing of municipal elections.

The process of decentralisation and establishing the role and functions of sub-national governments has been characterised by:

* Mandates lacking in uniformity and clarity from the national government.
* Varied capacity for the planning and implementation of decentralisation across national agencies.
* Increased pressure on municipalities to step-up and manage their responsibilities to support delivery of services and economic development to villages.
* Municipalities are increasingly responsible for the procurement, contracting and oversight of municipal infrastructure (predominantly rural water), but face challenges relating to contract and construction timelines, transparency of procurement processes, budgets and availability of skilled personnel to oversee works.
* Weak social accountability mechanisms at municipal levels compared to the national level.
* Recurrent recentralisation as failed attempts and politics have seen mandates go back and forth between national and municipal levels.

These features are discussed in more detail in Annex 1: Development Context and Situation Analysis.

Figure 1: Timor-Leste political organisation



Municipalities: 13

Postu: 65

Suku: 452

The challenges facing municipalities are substantial but do present an opportunity because the need amongst communities is high and the political appetite for results is strong.

## National Program for Suku Development - PNDS

**There are significant constraints to the delivery of basic infrastructure and services to villages across Timor-Leste, particularly in rural areas.** Population dispersal and poor transport infrastructure are two important factors influencing the cost and effectiveness of service delivery. In addition, weak capacity (in terms of systems sophistication and human capacity) in the public sector and public financial management (PFM) as well as politically driven resource allocation (as opposed to needs driven allocation) are core contributing factors. Weak accountability mechanisms undermine service delivery at all levels of government. These are (but do not necessarily need to be) exacerbated by the process of decentralisation being undertaken in Timor-Leste.

Constraints notwithstanding, the PNDS program has successfully demonstrated over nearly ten years that GoTL can effectively and efficiently deliver resources to communities. As the 2017 Mid Term Review of DFAT’s PNDS-Support Program affirmed, Australia’s support to PNDS since its inception has been a key contributing (if not critical) factor to the success of the program.

**In 2012 the GoTL launched PNDS**, a government funded community driven development program that channels funds directly to Timor-Leste’s 452 sukus. PNDS enables communities to plan, construct and manage their own prioritised small-scale infrastructure projects.PNDS has been financed entirely from Timor-Leste’s state budget up to 2020 with a total investment of more than USD50 million. Timor-Leste is the only country that has self-initiated a community-driven development approach to infrastructure development at a national scale.

PNDS provides an unparalleled national platform for Timor-Leste’s development. It is a popular program – with communities and decision makers – and delivers significant capacity directly at points of greatest need identified by communities and as such it will remain core to the development partnership between Australia and Timor-Leste. The GoTL resource contribution (both budget and human resources) to PNDS is significant and supporting GoTL to improve the quality and efficiency of delivery of this program will increase the development outcomes leveraged through both GoTL and Australia’s investment in PNDS. Training and mentoring have been provided to more than 52,000 community members and more than 500,000 women and men have taken part in PNDS decision making processes. MSA has allowed the PNDS platform to be utilised by other GoTL agencies (Ministry of Education, Ministry of Interior) and donors (NZ) to fund communities to deliver other village level infrastructure.

Results for Women’s Empowerment

The Asia Foundation’s2017 report: *Role of Local Authorities in PNDS Implementation* surveyed village leaders and found significant gains for women through the program. Ninety-five per cent of respondents said that PNDS had improved the position of women in the community. As one woman stated, “before we had the PNDS community management team, we were just in the house, cooking and washing clothes. Now we can attend meetings, and we really feel that the community’s attitude has changed.” All respondents thought that the PNDS process had been very inclusive.

Importantly, involvement in PNDS had encouraged women to stand in local government elections. All women interviewed who had been involved in PNDS management agreed that this experience had gained them greater respect and status in their communities. As a recently elected village leader (xefe suku) of Kampung Alor in Dili explained “men always get the job as xefe suku but there is never any change. I was interested in making a difference. Because of my participation and involvement in PNDS, the community saw my successes in that role and then chose me to be xefe suku.”

Male leaders also clearly attributed women’s increased status and their election to village council to participation in PNDS. As a male leader explained, “we realise that many women involved in PNDS have increased their standing in our suku and aldeia. People trust them and respect them to perform different tasks in our suku. Some women were elected onto the suku council as delegates.”

The Asia Foundation: Role of Local Authorities in PNDS Implementation PNDS Evaluation 2017

Australian funded support has influenced the GoTL to address systematic gender inequality in multiple ways and across the entire PNDS lifecycle. Achievements such as 40 per cent women’s participation in decision-making processes for PNDS and in the selection of priority projects are positive and suggest strong transformative potential.

**The Australian Government has been a significant supporter of PNDS since its inception, including AUD7 million in direct budget support for the first time in 2020**. Australia’s support has focused on developing and strengthening GoTL PNDS systems (HR, IT, PFM) and the capabilities of GoTL's 400 PNDS staff at the national, municipal and postu level, in areas like social inclusion, M&E, engineering and finance. The direct budget support introduced in 2020 recognised PNDS as an effective mechanism for delivering economic stimulus and enhancing social cohesion in response to the impacts of COVID-19. Australia’s decision to utilise direct budget support also recognised the strength of PNDS’s established financial and management systems and its socially inclusive approach.

To date, PNDS has achieved the following basic infrastructure outcomes:

Table : PNDS project data by sector

|  |  |  |
| --- | --- | --- |
| **Sectors** | **Project status** | **Total # of projects** |
| **Completed** | **Ongoing** | **Approved** |
| Water Supply & Sanitation  | 557 | 42 | 38 | 637 |
| Road, Bridge, and Flood Control | 483 | 51 | 41 | 575 |
| Education Culture & Sports | 91 | 17 | 18 | 126 |
| Health | 46 | 6 | 5 | 57 |
| Agriculture & Food Security | 42 | 2 | 1 | 45 |
| Other Sectors | 212 |   |   | 212 |
| **Total PNDS funded projects** | **1,431** | **118** | **103** | **1,652** |
| Police Houses (NZAID funded) | 14 |   |   | 14 |
| Playgrounds (NZAID funded) | 26 | 66 |   | 92 |
| Classrooms (Ministry of Education funds) |   | 9 |   | 9 |
| **Total - All projects via PNDS platform** | **1,471** | **193** | **103** | **1,767** |

**In 2017 and 2018, GoTL political instability led to the suspension of GoTL PNDS grants**. In response, the PNDS Secretariat focused on supporting lagging communities to finalise earlier PNDS projects and supporting communities on the operations and maintenance (O&M) of existing PNDS infrastructure. In 2019, the GoTL restored grants to PNDS with an allocation of USD9.6 million and provided USD12 million for the program in 2020. . The draft 2021 budget allocates USD11 million for PNDS, and the program is championed by the recently instated Minister for State Administration, who was key in establishing the program in 2011-12.

**The absence of grant funding for PNDS in the 2017 and 2018 budgets led the Australian Government to consider the long-term options for its investment if GoTL funds did not resume.** At the same time, the GoTL decentralisation agenda was gaining momentum and implementation challenges were becoming more visible, affecting Australia’s broader investments in service delivery. It was also becoming evident that O&M of existing basic infrastructure at suku level needed substantial improvement in order to extend its functional life. In mid-2019, with the end of the PNDS-SP contract on the horizon, and in response to the 2017 Mid Term Review (see box below) MSA, Ministry of Public Works (MoPW) and GoA agreed to expand the scope of the program to include support for decentralisation/municipal strengthening and O&M of basic infrastructure.

PNDS-SP was renamed PARTISIPA in 2019 and the new municipal strengthening component was rolled out to four jointly decided pilot municipalities (Baucau, Bobonaro, Dili and Ermera). It also adopted a more integrated approach to O&M of suku water systems with new water advisory support placed at the MoPW and in pilot municipalities. This structure enables flexibility of resourcing across components in a complex and dynamic environment. It also enhances coherence and coordination of informed policy-dialogue and a more thorough understanding constraints to service delivery.

***Summary – 2017 Mid Term Review of Australian Support to PNDS***

The Mid Term Review of Australia’s support to PNDS found that the program was highly effective in developing skills and institutional capacity in the Government of Timor-Leste for the management of PNDS, and recommended continuation of support. The Review highlighted four areas where Australian support had contributed significantly to the success of PNDS:

* **Strengthened personnel capacity at both national and sub-national levels –** through recruitment, specialized training, new nationally accredited qualifications and ongoing mentoring from the Field Support Team.
* **Establishment of robust GoTL systems** - including specialised recruitment processes, new financial systems for transfers to village accounts, development of the operations maintenance and field guides and new management systems.
* **Quality Monitoring and evaluation –**including the establishment of a Management Information System, independent monitoring from civil society, and a range of tailored analytical products which have contributed to greater use of evidence for decision-making within PNDS
* **Systemic efforts for gender and social inclusion** – which has resulted in strong representation of women at policy and program implementation levels.

The Review made recommendations for future implementation:

* Support the Government’s decentralization agenda by progressively shifting the primary focus of DFAT support from national to the municipal level.
* Strengthening systems and processes for operations and maintenance of community infrastructure, including exploration of greater collaboration with sector agencies
* Continue the critical role of the Field Support Team without much adjustment
* Continue to support the professional development of PNDS facilitators
* Continue support for monitoring and evaluation
* Deepen and broaden engagement with decision-makers and improve public communications to help build support for and shared ownership of PNDS across government and enhance links with other aid programs in relevant sectors and with potential to draw on PNDS-SP experience at municipal and suku levels.
* Implement the complaints handling system.

Figure : PNDS SP Mid Term Review 2017

**Australia’s support (first through PNDS-SP, then through PARTISIPA) has been instrumental in supporting the GoTL to respond to the COVID-19 pandemic.** The GoTL is using the PNDS mechanism to stimulate village level economic activity, albeit with changes to the approaches to decision making and implementation to take account of social distancing requirements. PARTISIPA quickly supported changes to Standard Operating Procedures and the training required to embed new ways of working across the program. The GoTL continues to explore options for PNDS to be utilised as a mechanism to implement other agency and donor priorities. Whilst it has proved to be effective in delivering basic infrastructure, the program risks being over-burdened. The PARTISIPA team keep a watching brief and provide support to government as it works through these decisions.

See Annex 1: Development Context and Situation Analysis for more details on PNDS and the Australian Support Program.

## Suku Water Systems

**At the suku level, the most pressing needs are for water and roads.**[[2]](#footnote-3)Despite gains made since independence, only 74 per cent[[3]](#footnote-4) of rural households have access to clean water. Less than half of respondents in the *2018 Timor-Leste Tatoli Survey* said that their local water pumps worked well. Lack of access to clean water is directly correlated with poor health, reduced education outcomes, and reduced productivity, as well as contributing to high rates of malnutrition.[[4]](#footnote-5) The benefits of better water access are particularly strong for women and girls, who in Timorese society take up the burden of sourcing and providing water for households. A study in 2016 found that establishing water systems in rural Timor-Leste reduced the average amount of time that women in rural areas spent collecting water from two hours to 30 minutes per day[[5]](#footnote-6). The lack of water supply also contributes to poor sanitation and hygiene with implications for health outcomes. A lack of reliable roads inhibits access to health and education services, and to markets that could otherwise increase livelihoods and incomes and reduce poverty.

**Improving the sustainability of existing village infrastructure through O&M is a high priority for improved access to clean water, and human and economic development.** Poor O&M limits the longevity of basic infrastructure, undermining the benefits of the original investment and adding to the costs of basic services. Accountabilities and mandates for O&M across agencies and levels of government are often unclear, an issue which is exacerbated by the decentralisation process. Since 2016, municipalities have been responsible for supporting communities to deliver and maintain suku water systems, led by Municipal Water and Sanitation Services units (SMASA). However, there is a lack of policy clarity, systems, and O&M budgets and financing systems to fulfil this mandate.

**Suku-level O&M of infrastructure is variable and those responsible often lack capacity and resources for the O&M required of more sophisticated systems**,and systems fall into disrepair at faster rates than new systems are being built. There are currently two community management systems for O&M of water supply, the Water User Group (GMF) and the PNDS O&M Committee, both of which have strengths and weaknesses. GMF’s struggle to stay active with voluntary members, retain authority or legitimacy in the community and address more complex system failures. PNDS O&M committees are formally linked to the Suku Council. However, members are not always beneficiaries of the infrastructure that they are tasked to maintain (e.g. a water system) and therefore have fewer incentives to collect user fees, manage usage and/or carry out maintenance.

Recognising these constraints, PNDS with the support of Australia’s PNDS-SP initiated discussions with the National Directorate for Water Services (DNSA) in 2018 on formally applying the GMF model to PNDS water system projects. Unlike GMFs, PNDS O&M committees do not receive technical training on infrastructure maintenance. The experience of both committees demonstrates that:

* + Community members are willing to pay for basic O&M of suku water systems; and
	+ Both GMFs and PNDS O&M committees can take on responsibility for O&M but they require training and technical support for more complex O&M tasks.

Further details of these challenges are outlined in Annex 1: Development Context and Situation Analysis.

**Australia is a long-standing supporter of GoTL efforts to improve delivery of sustainable water, sanitation, and hygiene (WASH) services to rural citizens.** The PARTISIPA program represents an evolution of Australia’s long-term support to improving rural water supply in Timor-Leste. Initially, the Australia-East Timor Community Water Supply and Sanitation Program (2002-2005) worked with MoPW’s newly established National Directorate for Water and Sanitation and directly funded WASH infrastructure through Civil Society Organisations (CSO). Subsequent programs include the Rural Water Supply and Sanitation Program (Phase One: 2007-2012) and the Phase Two (BESIK) program (2012-2016). These programs worked on a national scale including a component on water resource management.

From 2016-2019, bilateral WASH activities were managed by Australia’s Partnership for Human Development (PHD) program with a sharpened focus on sanitation and hygiene and on O&M of suku water systems. In addition to these bilateral investments, Australia has provided support for CSOs to invest in rural WASH through the Australia NGO Cooperation Program, the Civil Society WASH Fund, and more recently through Water for Women.

Alongside WASH-specific programming, Australia has made a significant contribution to rural water supply in Timor-Leste through its support of PNDS. PNDS has been GoTL’s biggest investment in suku water systems, having constructed or rehabilitated 557 suku water supply systems, with a further 80 water system projects underway or approved (in June 2017, 889 rural water supply systems were registered across the country).

A review of Australia’s contribution to WASH in Timor-Leste in 2019 recommended that future investments in the water sector would best be achieved through close alignment with PARTISIPA (rather than PHD) so that construction of water supply in villages (through PNDS) links more seamlessly to O&M of the system and rests responsibility for its sustainability at the village level, managed by the suku council. Advisory support placed in MoPW through PARTISIPA, aimed to help reduce the management and communication burden on Australia’s fragmented support to the sector. This is nascent but has contributed to the finalisation and dissemination of revised Technical Construction standards for rural water systems in Timor-Leste; a collaboration between MoPW, DNSA and MSA.

Australian funded initiatives have on the whole, benefited target areas, but they have not necessarily contributed to a government-led coordinated solution to realise reliable water access and O&M. In 2017 PHD developed a new project called High Impact Low Cost which intended to develop and demonstrate a model for municipal administrations to allocate their O&M budget to small-scale maintenance of rural water supply. HILC provided grants to communities and on-cost support to government staff in Bobonaro municipality, valued at on average USD4, 000, to support repairs that were beyond the capacity and resources of GMFs. The pilot aimed to support GMFs and local leaders to mobilise community members to carry out works themselves with available labour and local materials. SMASA as the lead government agency, was to oversee any design work, and procurement for large items. SMASA Administrative Post Facilitators (FPAs) were to fulfil their role as the link between government and communities and coordinate the involvement of other local government leaders.

The project was successful in increasing water functionality over the two year pilot but encountered several issues – it was unable to establish a demand driven mechanism for communities to receive external funding to supplement their own tariff collection and water system maintenance activities; the technical support required for rehabilitation exceeded the time and staffing resources available to SMASA staff; national level government was minimally engaged in the process and the implementation process did not use GOTL finance systems or have a clear ‘line of support’ through all the GoTL levels. The project recommended refining O&M policies, guidelines and the roles of GMFs and suku leadership and integrating the work of SMASA and PNDS FPAs as well as GMF and PNDS treasurers. Of the approaches tested, stakeholders favoured direct funds transfers to sukus, potentially through a public transfer system, like PNDS.

While recognising the importance of complementary investments in water and sanitation, Australia will continue focus efforts to improve sanitation behaviour through PHD. Six out of Timor-Leste’s thirteen municipalities have been declared open defecation free (ODF) since 2016, four municipalities with the direct support of PHD. PHD has a significant health system strengthening program and is better placed to support the Ministry of Health’s lead role on sanitation and hygiene behaviour change, quality control, and coordination.

## Roads Maintenance and Rehabilitation

**The significant constraints to the delivery of basic services in Timor-Leste are particularly striking in rural areas where around 80 per cent of citizens live and where the reach of the state remains limited. One of the contributing factors is poor transport infrastructure that makes service delivery a complex and costly proposition**. Across Timor-Leste, roads are the primary mode of transport and there is an extensive (albeit low quality) road network of approximately 7,500 kms with half of these being undeveloped rural tracks. Reliable roads underpin economic development through better access to markets and increase social development and wellbeing through better access to education, health and other important services. Rural roads provide the necessary access that supports a range of other Australian government investments in Timor-Leste, including PHD, which focuses on health and education services and TOMAK which supports agricultural development.

**A survey of rural roads in 2015 found that while the density of the rural road network was relatively high compared to similar development contexts, only 13 per cent of rural roads were rated good, 30 per cent were rated fair, and 57 per cent were rated poor or very poor**. Maintenance of roads is important because their replacement cost is high and less affordable in Timor-Leste, especially in the context of a declining fiscal position. Without rehabilitation and routine maintenance (R&M), road conditions deteriorate rapidly and quickly become inaccessible. Investing in supporting the GoTL to deliver effective, efficient, and strategic R&M of rural roads is essential for economic development and access to services. In its *Sustainable Development Plan 2011–2030* the GoTL aimed to rehabilitate all existing roads by 2020 and establish a comprehensive road maintenance program by 2030.

**Under decentralisation, municipalities will share some of the responsibilities for maintaining and rehabilitating rural and municipal roads.** However, there is a lack of policy clarity, systems, and budget to fulfil this mandate. Support to ensuring clarity of mandates and resourcing of the implementation of R&M as decentralisation progresses will go a long way towards securing better roads in the future.

Recognising the importance of rural roads to human and economic development in Timor-Leste, Australia intends to continue to strengthen the GoTL’s ability to plan, fund, implement and monitor R&M of rural roads beyond the current R4D-SP program. At this stage, it is anticipated that Australia’s investment will focus on supporting GoTL counterparts to plan and budget for adequate R&M of rural roads. This includes supporting national counterparts to actively work with municipal government to plan, resource, implement and monitor R&M of rural roads. Further, support will be given to municipal governments and administrative posts (postu) to strengthen village level governance and planning processes in relation to rural roads.

**Australia’s investment in rural roads aligns closely with the focus of the PARTISIPA program and it is possible that Australia’s support for rural roads may be integrated into PARTISIPA when R4D-SP is completed in 2022**. There is a risk however that incorporating R&M of rural roads into what is already a complex program may dilute the focus on this sector and reduce the visibility of Australia’s investments in rural roads. DFAT is currently undertaking more analysis and consultations and will decide by mid-2021 about the best modality for Australian support to rural roads going forward.

## Gender Equality, Disability and Social Inclusion

**Timor-Leste has a deeply entrenched patriarchal culture, substantial gendered economic inequalities, high rates of violence against women and persons with disabilities, and normative barriers to reproductive health care.** Women experience greater levels of poverty than men: 80 per cent of women are not paid for their labour compared to33 per cent of men.[[6]](#footnote-7) 59 per cent of women in relationships have experienced intimate partner violence[[7]](#footnote-8).

Women’s representation in parliament is among world leading at 38 per cent, due to electoral laws requiring at least one in three people on a political party ballot to be a woman. **However, success in women’s political representation at the national level has been slow to improve women’s empowerment at lower levels**. No municipalities are led by women. In 2016 a new village-level election law started to address this, and a growing women’s movement is working to support more rural women to find their voice and stand as leaders in their communities, with the number of women Village Chiefs doubling (from 11 to 22 in total or from 2 per cent to 4.5 per cent) in the 2016 election.[[8]](#footnote-9) As mentioned earlier, the Australian funded PNDS-SP has proactively sought women’s empowerment at village levels through PNDS with impressive results.

COVID-19 presents risks to women and girls in Timor-Leste including increases in women’s unpaid workload as primary caregivers, women’s food insecurity, exposure to domestic violence as well as reduced access to maternal, reproductive and health services. There are additional increased risks to persons with disabilities, including reduced health and care services and increased risk of COVID-19 transmission because of factors such as reliance on physical contact and lack of inclusion in and accessibility of risk communication. People with disabilities are also more likely to be disproportionately affected by the health, economic and social impacts of the global health pandemic.

**In Timor-Leste, rates of disability are under reported, with figures sitting around 3-5 per cent which is far lower than the global prevalence rate of 15 per cent**.9 People with a disability and their families experience high levels of discrimination and social stigma, are typically isolated from others in their community, and although their family may care for them, they are generally not respected as people with rights, abilities and skills who can contribute to society. There are limited disability specific services and those that are available are located in the capital Dili, and the focus is on rehabilitation services for people with physical disabilities.[[9]](#footnote-10) PNDS and suku governance mechanisms have low engagement with people with disabilities, particularly in O&M.

**PDNS-SP was not highly active in its engagement with Disabled People’s Organisations (DPOs) and people with disabilities until 2017 and much of what happened was not captured through PNDS monitoring and evaluation** (M&E). In 2017, Australian funding supported a stronger focus on disability inclusion through all PNDS processes and involved capturing investment data and impact through M&E systems. This resulted in increased consultation with DPOs, and subsequent involvement of people with disabilities in planning and implementing of disability inclusion activities for PNDS[[10]](#footnote-11) such as:

* A PNDS Gender and Social Inclusion Action Plan jointly developed with people with disabilities (and women representatives) and PNDS National and Municipal Focal Points.
* Guidance and tools, for example a learning video developed with DPOs and people with disabilities for PNDS staff, and a disability inclusion pocketbook for PNDS staff on how to better include people with disabilities in each step of the PNDS cycle and ensure accessibility of infrastructure.
* Guidance for suku councils that illuminate the challenges faced by people with disabilities and the ways councils can address them.
* Training and learning forums on mental health and disability inclusion for PNDS GESI focal points and implementation staff, and for people with disabilities involved in PNDS to support their participation.
* Amended implementation forms to capture disability inclusion data across all PNDS activities, which were not previously recorded systematically.[[11]](#footnote-12)

**Despite strongly entrenched Roman Catholic religiosity, Timor-Leste is relatively progressive with regards to social inclusion for people with diverse gender identity and sexual orientation (LGBTQI)**. Same-sex sexual activity is legal although there is no legal recognition of same-sex unions. In 2011, Timor-Leste signed the "*Joint statement on ending acts of violence and related human rights violations based on sexual orientation and gender identity*" at the United Nations and in July 2017, the nation's first ever pride march was conducted with the support of the Timorese Government. This notwithstanding, there remains no legal protection based on sexual orientation or gender identity (except in the instance of hate crimes).

**The LGBTQI community face regular harassment and discrimination in communities and workplaces, and when accessing government services**. A 2017 study of lesbian and bisexual women and transgender men in Dili and Bobonaro conducted for Rede Feto, a national women’s advocacy network, documented:

*… the use by family members of corrective rape, physical and psychological abuse, ostracism, discrimination, and marginalization against LGBTI individuals. Access to education was limited for some LGBTI persons who were removed from the family home or who feared abuse at school. Transgender students were more likely to experience bullying and drop out of school at the secondary level.[[12]](#footnote-13)*

Several CSOs that represent the rights of the LGBTQI community can be found in Timor-Leste and could provide guidance and support to the PARTISIPA program to extend social inclusion outcomes.

## Climate Change and Disaster Resilience

Timor-Leste is experiencing a changing climate:

Table : Climate Change Indicators 2014

|  |  |
| --- | --- |
|  °C | Average temperatures in Timor-Leste are likely increasing and will continue to do so (up to 1.1 degrees increase in average annual temperature by 2030), with more very hot days and less cool nights in future. |
|  | Timor-Leste experiences highly variable rainfall year-on-year. No significant changes to the country’s rainfall have been recorded and climate models do not show a clear direction of future change. However, climate models indicate the country will experience an increase in the number of extreme rainfall events in future. There is currently no indication that drought events will increase in frequency or severity.  |
|  | Sea level around Timor-Leste are rising around 9mm per year, significantly faster than the global average (around 3mm per year). This trend is likely to continue with increases of up to 34cm above 2005 levels by mid-century. |
|  | Oceans are warming and are acidifying around Timor-Leste. This process will continue longer-term regardless of the success of mitigation actions, impacting on the health of reef ecosystems. There is little projected change in wave climate around Timor-Leste.  |

*Source: Pacific-Australia Climate Change Science and Adaptation Planning Program,* [*2014*](http://www.pacificclimatechangescience.org/publications/reports/climate-variability-extremes-and-change-in-the-western-tropical-pacific-2014/)

**Timor-Leste is extremely vulnerable to the impacts of climate change, with an estimated 70 per cent of the population at risk.** Data for the decade to 2016 showed that “floods, droughts, storms, landslides and wildfires have caused major loss of human lives and livelihoods, the destruction of economic and social infrastructures, as well as environmental damages.”[[13]](#footnote-14) Increasing frequency and/or severity of extreme weather events are the key immediate challenges that climate change brings to Timor-Leste, but over time the slower onset impacts (like sea level rise, ocean acidification and increasing climate variability) will be increasingly challenging. This will likely include damage or degradation such as PNDS infrastructure and water systems.

**Although climate change and disaster resilience have not been high priorities of the GoTL, they are getting more traction and policy visibility, and are increasingly incentivised by international policy instruments, agreements, and resourcing.** At the national level, the *SDP* includes an environment pillar, under which climate change is highlighted as a key challenge facing the country. The *SDP* also includes a target for the country to meet 50 per cent of its energy needs from renewable sources by 2020 (this has not been achieved). Coordinating ministries for climate change and disaster resilience have relatively low levels of power to induce whole-of-government action. For example, Timor’s intended Nationally Determined Commitment has not been translated into domestic legislation, and the national climate change policy framework remains in draft and therefore current national climate change objectives remain driven by the 2010 National Adaptation Program of Action.

Robust policy and leadership notwithstanding, Timor-Leste has been moderately successful in accessing climate finance. Between 2005 and 2017 the country has received USD171 million in climate finance from all sources, with a substantial scale up commencing from 2012. This is broadly in line with comparable countries in the Pacific albeit substantially lower than most countries with a comparable Human Development Index and significantly lower than countries with a comparable GNI per capita. However, with numerous proposals in the pipeline and increasing international attention, climate change and disaster financing looks set to climb in coming years. A new USD22 million Green Climate Fund initiative will be implemented in Timor-Leste from 2020, focused on safeguarding rural communities and their physical assets from climate induced disasters. Of note are activities to strengthen climate risk information and climate resilient planning and construction for small-scale infrastructure, including PNDS.

While there are no current Australian aid investments that have climate change as their primary objective, a 2019 DFAT internal stocktake identified that PARTISIPA was making a contribution to increasing climate change resilience. While the program is not systematically address climate and disaster risks in decision-making processes and implementation, increasing local access to essential social and economic infrastructure through PNDS (like WASH facilities, flood control projects and linking roads) is helping to build broad resilience. PNDS project manuals and management standards ensure design and construction meet basic safeguards such as erosion control and safe water management. These are anticipated to be strengthened through the Green Climate Fund initiative.

There are two DFAT funded regional mechanisms operating in Timor-Leste that are relevant to PARTISIPA and climate change action and disaster resilience. First, the Australian Humanitarian Partnership’s Disaster Ready Program (AUD42 million 2018-22 across five countries) is supporting NGOs to implement disaster risk reduction activities at the community level in Timor-Leste. The program is focused on inclusive community-based disaster risk management to ensure that people with disabilities, women and children are involved in disaster planning and that their different needs are being met. Activities include community-based hazard mapping, the development of action plans, analysing local knowledge and data on weather predictions and support for local early warning systems. In 2018 around AUD5.7 million was allocation to Timor-Leste under the program. Second, The Australian NGO Cooperation Program also supports a number of projects in Timor-Leste, of which three include specific reference to climate change in their project descriptions, including: Action on Poverty’s Pacific Regional Food and Water Security Project (Pacific); Caritas Australia’s Sustainable Livelihoods Program Timor Leste; and Australian Red Cross’ Youth, Gender and Inclusion Timor Leste. There are opportunities to coordinate across different community action processes.

1. Strategic Intent and Rationale

**Australia's Foreign Policy White Paper highlights a strong and prosperous Timor-Leste as fundamentally important to Australia.** Australia is Timor-Leste’s leading development and security partner with an estimated AUD100.7 million in total Official Development Assistance in 2019-20. The development partnership supports Timor-Leste's objectives for economic diversification and private sector growth, provision of basic services in water and sanitation, health and education, social protection, critical transport and communications infrastructure, support for ending violence against women and girls, and access to labour mobility schemes.

**The COVID-19 pandemic and its economic fall-out have left Timor-Leste in a more difficult economic position than it was prior to the pandemic**. For 2020, the World Bank has predicted the deepest economic shock for Timor-Leste since Independence with a five-ten per cent contraction forecast. The United Nation’s Socio-Economic Impact Assessment of COVID-19 in Timor-Leste found at last one in every four households had someone lose their job because of the pandemic and associated economic shocks. It also found that intra-household inequalities had deepened and that poor and vulnerable groups had been hardest hit.[[14]](#footnote-15)

**A post-conflict newly independent state that has been hit hard by the COVID-19 related global economic downturn requires a whole of nation effort to build economic and human development -** from nationally driven large-scale infrastructure and health and education programs through to bottom-up local schemes that connect poor communities with basic services and engage them in state-building. Since independence, the Australian Government has supported Timor-Leste to build the necessary social, democratic, and economic infrastructure that is required for broad-based development. The instability and inequality associated with many resource-rich and post-conflict developing countries is being averted because attention is being paid to vertical (from village through to national) and horizontal (across sectors) development.

PARTISIPA will respond to these challenges by supporting GoTL to better deliver quality services that are accessible to all, and to support the resilience of communities through broad based participation, economic opportunity and improved village infrastructure. As Australia resets its bilateral relationship, PARTISIPA will deliver on Australia’s commitment to continuing genuine development cooperation and support Timorese owned and led initiatives, particularly PNDS and decentralisation.

**PARTISIPA will provide the GoA with a nation-wide footprint of development assistance and a line of sight along the chain of essential infrastructure and basic services to villages**. The Australian aid program already works with central and service delivery agencies through other investments, but to expand impact, the Australian program needs to continue working with the government to draw services down from Dili to Timor-Leste’s rural villages where most Timorese live. Having support that is focused on sub-national government administration and capability for service delivery forms a niche and complementary part of Australia’s integrated suite of aid investments. Australia has eight key bilateral aid investments in Timor-Leste. The figure below shows the way in which four of Australia’s aid investments work well together – across sectors and from village to national levels – to strengthen Timor-Leste’s economy, people and society.

Table : Australia's Integrated Investments in Timor Leste

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | PARTISIPA | GfD | PHD | R4D |
| Key Counterparts | MSA, MoPW, municipal administrations and Postus | PMO, including UPMA, MCAE, PCM, CSC, MTC | MoE, MoH, MSSI and their municipal teams | MoPW, postu and municipal staff of MoPW |
| Key Focus Areas | Support to PNDS to build basic infrastructure in villagesSupport to municipal administration to deliver their mandateDevelop systems for O&M of village infrastructure.  | Central whole-of-government strategy.Delivering improved policy settings and reformsSupporting national budget processes, legislative reforms, civil service reform, social accountability, monitoring and evidence. | Strengthening the formal systems and processes to improve the quality and access of health, education, and social protectionWork at central and local levels to support services delivery | Labour intensive rehabilitation and maintenance of rural roads that create jobsBuilding the capacity of MoPW and municipal staff to deliver rural roads Developing local contractor capacity |
| Synergies & Harmonisation | Keeps other programs updated on the national-to-village level chain of service delivery and decentralized machinery of government. Works with PHD on Municipal level planning, coordination, and evidence and with GfD on central reform such as PfM.  | Provides access for other programs to central agencies and supports reform agendas needed for these programs to achieve outcomes by addressing constraints to service delivery, (e.g. in national planning and budgeting, PFM, legislative reform, etc).  | Supports access to / understanding of health, education, sanitation, and social protection, including gender equality, disability and social inclusion programs through MSSI. | Supports access to / understanding of R&M of rural roads, sector technical standards, safeguards, systems and inclusive and labour-intensive infrastructure strategies. |

**PARTISIPA aligns with the Australian Government’s Partnerships for Recovery aid strategy (June 2020)** to pivot Australia’s development cooperation towards the realities of the new normal of a COVID-19 world whilst building on previous successes. The focus of Australia’s efforts are health security, stability, and economic recovery. PARTISIPA represents a substantial contribution towards the objectives of this strategy because it will support economic recovery at the village level through PNDS employment opportunities and local economic stimulus through construction. It also contributes to stability by increasing citizen confidence in the government and supporting social cohesion through community decision making. *Partnerships for Recovery* notes:

*COVID-19 has reinforced that Australia’s stability and prosperity is closely tied to that of our neighbours in the Indo-Pacific, so our ongoing efforts will focus on our nearest neighbours: the Pacific, Timor-Leste and Indonesia. These are the places we know best and where we can have most impact.*

*Australia knows that it is only by standing with our region that we will recover and prosper, together. Because a stable, secure and resilient Indo-Pacific is critical for us all. And our country’s future depends on it.*

**PARTISIPA will continue to support the GoTL to deliver PNDS, its successful flagship village development program that has been a vital mechanism for stimulating village level livelihoods and delivering basic services, including throughout the COVID-19 crisis**. As mentioned elsewhere, Australia’s support has made a substantial contribution to the extent and quality of the success of PNDS to date.[[15]](#footnote-16) As well as providing much needed infrastructure and basic services at a national scale, PNDS has been an important mechanism for skills development, short-term work opportunities, community governance, improved gender equality and local economic development (the average PNDS project providing economic return of 40 per cent).

**PARTISIPA’s technical assistance builds on Australia’s experience, relationships, trained staff, networks, and credibility established through PNDS-SP** to support GoTL to successfully deliver the benefits of decentralisation to villages and households. Australia has supported Timor-Leste to overcome implementation challenges to deliver PNDS which are many of the same challenges faced in basic service delivery throughout Timor-Leste. These include:

* Nascent systems and processes to support basic functioning of government (e.g. budget and financial management, procurement and contracting, human resource management, etc).
* Limited experience in planning and managing projects and programs across all levels of government.
* Capacity constraints (technical skills and operational resources) to plan for and execute programs and services.
* Difficulties accessing remote locations due to poor transport and communications infrastructure.

Australia’s existing support to PNDS provides the foundations and in-situ architecture for extending support, with the PNDS counterpart agency also the peak agency for municipalities and the national coordinating body for decentralisation. In line with recommendations by the PNDS-SP Mid Term Review, Australia will continue to provide assistance to government to further embed and strengthen systems and skills, with a progressive shift in focus of support from national to municipal level, including a focus on O&M for the sustainability of infrastructure. PARTISIPA will focus on maximising community-driven development approaches, which in turn support government credibility, responsiveness and stability.

**PARTISIPA will draw on Australia’s comparative advantage, building** on our in-depth knowledge and experience in supporting community-driven development and decentralisation processes across the region. Australia has provided considerable support to decentralisation programs in countries such as Indonesia and Papua New Guinea and has extensive experience in community-driven development programs in countries like Afghanistan, Indonesia, the Solomon Islands, Cambodia and so on. It is notable that PNDS is the only community driven development program in the Australian aid portfolio not led by another development partner.

**In May 2020, the Australian government entered into an agreement with GoTL to provide AUD7 million in Direct Budget Support for PNDS grants to assist the COVID-19 recovery effort.** This funding is “On Treasury” (in that the funds have been disbursed into a GoTL Treasury account) and is being managed through the government's regular systems for disbursement and financial control. Direct Budget Support as a form of aid could be extended through PARTISIPA as the development partnership with Timor-Leste continues to mature and if GoA resources allow.

**PARTISIPA aligns closely with the GoTL 2019 External Assistance Aid Policy** by supporting GoTL’s own programs (such as PNDS) and systems (including for O&M of suku water systems) and responding to six out of the ten ‘priority areas for external assistance’ – rural development, infrastructure, water, gender, public sector management and regional integration. This will contribute to progress towards Sustainable Development Goals on gender equality, clean water and sanitation, Innovation, industry and infrastructure, peace, justice and strong institutions, and others. The use of direct budget support also meets GoTL’s expectations for modalities of development assistance.

**This investment design document (IDD) has been supported by key government stakeholders in Timor Leste.** The process for development of this IDD has been extensive and involved dialogues and consultations with the GoTL at national and sub-national levels as well as with civil society and other development partners. Current pilots that are testing municipal strengthening aspects of this design are supported by municipalities and from MSA. Consultations with the Ministry of Public Works affirmed operations and maintenance of rural water systems as a priority for their work, and for Australian bilateral support. The negotiations regarding Australia’s AUD7 million budget support to PNDS have proven effective in obtaining greater commitment from GoTL to PNDS. The IDD was reviewed and approved in-principle by the Minister of State Administration in October 2020. A Subsidiary Arrangement will be finalised for the program ahead of contracting, which will formalise governance arrangements and outline government partnership expectations, particularly for ongoing GoTL financing of PNDS.

**Relevant GoTL ministries have welcomed Australia’s engagement and are positive about the new direction of the program.** PARTISIPA will position Australia as a long-term partner and strengthen institutional links and influence with MSA and MoPW. Growth in municipal and suku capacity, development of coordination and communication conventions between levels of government and across sectors, and institutionalisation of inclusive development practices, are areas that Australia can make a valuable contribution. Australia will help GoTL fill a critical gap in service enabling infrastructure for rural populations in Timor-Leste.

## PARTISIPA as a Platform for Roads for Development

The Government of Australia (GoA) has invested more than AUD60 million in two phases of the roads for development program (R4D-SP). R4D-SP specifically targets rural roads rehabilitation and maintenance to directly benefit rural communities, by helping them save time and money in accessing health and education services, and in reaching water supply and markets. With the GoTL, the program promotes labour-intensive approaches that create opportunities for livelihoods; particularly important in the post-COVID19 era that has seen widespread reductions in incomes and economic opportunities.

The current phase of R4D is due to close by mid-2022 and therefore the Australian Government in consultation with GoTL will make decisions regarding the future trajectory for their investment by mid-2021. There are several synergies between the R4D program and PARTISIPA that make PARTISIPA a potential platform to design and integrate R4D within its scope.

The next phase of R4D would continue to strengthen the GoTL’s ability to plan, fund, implement, monitor, and assess R&M of rural roads – across all levels of government administration; and support economic recovery through temporary employment opportunities. Depending upon resources, the new investment could also seek to strengthen technical capacity of small and medium private sector contractors in roads R&M.

This design and subsequent procurement process will leave open the option for R4D to be designed and implemented by the selected implementing partner for PARTISIPA. See Annex 2 for more detail.

1. Proposed Outcomes and Investment Options

This section focuses on *what* the PARTISIPA program expects to achieve over the life of DFAT’s investment. The Australian aid program design standards adopt the Theory of Change model for framing the design (otherwise known as Program Logic model) which uses a hierarchy to map the outcomes that the investment seeks to achieve, and details how an intervention (or set of interventions) cause change(s) in a given context – identifying the causal linkages and the underpinning assumptions.

The PARTISIPA Theory of Change is straightforward and written in plain English to ensure its accessibility to a broad range of stakeholders. More details regarding each outcome (e.g. in terms of specific stakeholders and targets) can be found at Annex 3: Monitoring, Evaluation and Learning Framework.

The Theory of Change identifies the suite of activities that can be leveraged by the program to create change but does not necessarily assign activities to each outcome. The implementing team, together with counterparts, will be responsible for specificity in relation to the selection and timing of activities. Therefore, the PARTISIPA Theory of Change, outlined at Figure 5 below allows for various pathways from activity level up to the achievement of outcomes.

## Theory of Change

**PARTISIPA will contribute to the achievement of two Goals:**

**Timor-Leste is a prosperous and strong nation**

**and**

**Australia has deep and enduring relationship across Timor-Leste**

**These two goals are intentionally ambitious and reflect the aspirations of both Australia and Timor-Leste. The AUD80 million investment in the ten-year PARTISIPA program represents one of Australia’s largest commitments to the people and government of Timor-Leste and carries commensurate hopes. The PARTISIPA program is expected to contribute to these goals, working in tandem with the Timor-Leste’s own investments and the efforts of other Australian investments.**

The objectives of the Australian Government for PARTISIPA are two-fold:

1. To strengthen government institutions to deliver quality services that are accessible to all.
2. To support the resilience of communities through broad-based participation, economic opportunity, and improved village infrastructure.

PARTISIPA will *contribute to* the achievement of the Program Goals and Objectives but the Program will not be held accountable for their achievement - they sit above the line of Program accountability. The Program is expected to achieve the End of Investment Outcomes (EOIOs) and will be *accountable for* demonstrating results.

Cross-cutting issues underpin PARTISIPA’s sought after outcomes and cut across all levels of the Theory of Change. When reading the Theory of Change, the reader should note that PARTISIPA will understand words such as “access” and “quality” to include access and quality of gender equality, disability and social inclusion, and climate change and disaster resilience.

Figure 2: PARTISIPA Theory of Change



## End of Investment Outcomes

PARTISIPA will have four End of Investment Outcomes (EOIO) that are expected to be achieved over the ten-year investment.

EOIO 1: All citizens benefit from improved access and quality of infrastructure and services by 2031

EOIO 2: National Government better addresses the infrastructure and services needs of villages

EOIO 3: Sub-national governments better coordinate and deliver their mandated infrastructure and services to villages

EOIO 4: Communities participate in village decision making, and construction & maintenance of their infrastructure

EOIO 1 focuses attention on the critical role government plays in ensuring essential infrastructure and services reach all Timorese citizens and that they enable improvements to health, education, and local economies. This reflects the importance of the *reach* of infrastructure and services, and their *utility* and *quality* to ensure infrastructure and services *benefit* communities to the greatest extent possible. Infrastructure and services are not an end in themselves, but a means to achieve health, education, and livelihood outcomes.

EOIO 2, 3 and 4 reflect the differentiated roles that the levels of government administration play in achieving better health, education, and local economy outcomes. The inclusion of national, municipal, and postu levels of administration in this program recognises that each has different roles and responsibilities (i.e. mandates) in delivering infrastructure and services to villages, yet they are interdependent in achieving successful delivery. Tight coordination and feedback loops between all levels of government and communities enable government to understand and be responsive to needs and enable citizens’ voices to be heard. In the context of decentralisation, outcomes for Timorese people will be achieved when all levels of government and administration are working well.

EOIO 1 recognises that most Timorese live in villages that have limited essential infrastructure for water supply and sanitation, roads, health and education services, and infrastructure to support livelihoods. These basic public goods are the building blocks for sustainable local economic activity, poverty reduction and development and are a high priority for the people of Timor-Leste. The use of the word “citizen” reflects that the people of Timor-Leste belong to a democratic and representative state which brings with it mutual responsibility: the responsibility for people to be active members of their communities, and the responsibility for government to be responsive to community needs. It also denotes inclusivity – all citizens are members of the state regardless of gender, (dis)ability, sexual orientation, political leaning, and age.  Addressing the needs of people for village infrastructure and services means not only the visible and immediate needs (such as WASH, roads, education and health) but also climate change adaptation and disaster resilience, and social development needs such as gender equality and disability inclusion.

**EOIO 2 recognises the role of the national government in *enabling* essential infrastructure and services for Timorese communities.**

EOIO 2 also recognises that:

* The national government is responsible for establishing the enabling environment which comprises laws, regulations and policies, systems, and processes.
* An effective enabling environment requires well-informed policy makers that have the skills and resources to design evidence-based and robust policies, laws, regulations, systems, and processes.
* Policy makers include both political and bureaucratic decision makers who are informed and motivated by knowledge, skills, experiences, and relationships.

The following table summarises the causal linkages in the theory of change and the assumptions underpinning the linkages. The assumptions need to hold true for the changes to occur.

Table 4: EOIO 2 Causal linkages and assumptions

|  |  |  |  |
| --- | --- | --- | --- |
| **If…****(Immediate outcomes are achieved)** | **…then…****(Intermediate outcomes are achieved)** | **…it will lead to ...** **(achievement of EOIO)** | **Assuming…****(what underpins the causal relationship)** |
| National govt increasingly collaborates with sub-national govt in design of policies and budgets, and in the delivery of services and programsANDThe national govt uses quality information about needs to better resource village developmentANDNational govt clearly articulates mandates, and supplies tools & guidance to sub-national govt | National govt embeds gender equality, disability and social inclusion objectives across budgets, mandates and systems and processesANDNational govt ensures reliable funding for village infrastructure and servicesANDPolicy makers actively assist sub-national levels of government to implement their mandateANDNational govt has improved systems and processes for the delivery of resources | The National Government better addresses the infrastructure and services needs of villages | PARTISIPA activities can generate the level of influence required to facilitate change ANDPolitical uncertainty and budget reductions are not significant enough to derail effortsAND PARTISIPA has continuing access to policy makers who participate in activitiesANDPerverse incentives (political, economic, or socio-cultural) do not derail change efforts. |

The activities and capabilities that comprise the intermediate and immediate outcome statements are broad and include such things as the use of evidence and feedback to inform policy, stronger coordination, communications and relationships between national and sub-national levels of government and administration, design and implementation of a range of support mechanisms (guidance processes, training, systems, etc) to sub-national levels both initially (for each new mandate that is passed from the national to sub-national level) and on an ongoing basis, including resources for implementation, among other things. Inputs from PARTISIPA to achieve these outcomes are similarly broad ranging so that activities can be matched to gaps and political will for reform, ensuring they are fit for purpose and likely to succeed.

**EOIO 3 recognises the role of sub-national levels of administration (municipalities and postu) to *implement* the mandates assigned to them by the national government.**

EOIO 3 also recognises that:

* The process of decentralisation is shifting responsibility for implementation of some government programs and services from the national to the sub-national level. At the time of writing, this included responsibility for (some aspects) of the construction and maintenance of rural water systems and rural roads.
* Whilst mandated to implement a range of programs and services, sub-national administration currently struggle to understand the scope of their mandates (often lacking in clarity from the national government) and/or embed the systems and capacity and resources required for implementation.
* Sub-national levels of administration are constrained in multiple ways from optimising implementation. Although there are variances across municipalities, overall sub-national administration performs below expectations denoted by decentralisation mandates.

EOIO 3 also recognises that the basic operational capacity to implement some mandates (e.g. construction and maintenance of suku water systems) is the same kind of capacity required to implement a wider range of services and programs and therefore investments are expected to have “knock-on” impacts as decentralisation continues. For example, the program may assist municipalities to effectively design a budget, source goods and services, manage finances, oversee implementation, and report against the budget for a specific service. This same capacity is required for other functions and services that have also been deconcentrated such as R&M of rural roads.  Therefore, the PARTISIPA investment will frame decentralisation support around practical challenges that demonstrate the value of sound core systems, processes and capacity at the sub-national level. A focus on O&M of suku water systems and other basic services infrastructure also plays to Australia’s history and strengths in these areas.

The following table summarises the causal linkages in the theory of change and the assumptions underpinning the linkages. The assumptions need to hold true for the changes to occur.

Table 5: EOIO 3 Causal linkages and assumptions

|  |  |  |  |
| --- | --- | --- | --- |
| **If…****(Immediate outcomes are achieved)** | **…then…****(Intermediate outcomes are achieved)** | **…it will lead to ...** **(achievement of EOIO)** | **Assuming…****(what underpins the causal relationship)** |
| Collaboration across levels of govts and with villages brings better understanding of needsANDSub-national govts understand & implement their mandates and responsibilities in keeping with national standardsANDSub-national govt are listening to women and marginalised groups, and better understand GEDSI issues. | Sub-national govt skills, incentives, systems & processes are improving, including for social accountability, GEDSI, procurement and contractingANDSub-national govts provide more support to villagesANDSub-national govt resources are used efficiently & effectively for village developmentANDSub-national govts better plan for and respond to community needs, particularly women, children, people with a disability and youth. | Sub-national governments better coordinate and deliver their mandated infrastructure and services to villages | National and village levels of government administration are supporting the change efforts and EOIO 2 and 4 can be deliveredAND Sub-national governments have the will and resources to affect changeAND The PARTISIPA program brings to sub-national governments the right skills, resources, activities, and approaches to affect changeANDPerverse incentives (political, economic, or socio-cultural) do not derail change efforts. |

Noteworthy in the causal logic for EOIO 3 is the breadth of capability that comprise the immediate outcome statements, which includes systems and processes, skills and knowledge, and the right incentives across core capabilities required of governments (e.g. public financial management, human resources management, etc). These all need to be in place so that the higher order outcome can be realised. This reflects the fact that the machinery to support sub-national administration to deliver services are in their infancy and need strengthening across numerous pillars.

**EOIO 4 recognises that villages need to have the capability to manage the investments in infrastructure and services inclusively (i.e. for the benefit of *all* citizens) and have confidence in their government to support them.**

EOIO 4 recognises that:

* Suku Councils have evolved from relatively informal structures to become formally recognised with increasing responsibilities for suku infrastructure and services as affirmed in the 2016 Suku Law.
* The tangible benefits of decentralisation need to be realised at the suku level to be credible and to improve confidence in government. This requires all levels of government working collaboratively to ensure needs are accurately understood and responses are effectively supplied.
* Suku have a critical role to play in managing their own assets in ways that ensure inclusive access and longevity of their utility.
* Democracy requires participation and mutual responsibility from governments to citizens, and for citizens to be active in their own development and hold governments and each other to account for delivering broad-based development outcomes.

EOIO 4 also recognises Australian’s long standing and deep experience in supporting the strengthening of suku level outcomes through its support to the PNDS program, access to rural water, R&M of rural roads, and health and education programs. PARTISIPA will build upon the successes of these programs through the broadening of suku level support to ensure infrastructure and services are not only present but also well-functioning in communities.

Table 6: EOIO 4 Causal linkages and assumptions

|  |  |  |  |
| --- | --- | --- | --- |
| **If…****(Immediate outcomes are achieved)** | **…then…****(Intermediate outcomes are achieved)** | **…it will lead to ...** **(achievement of EOIO)** | **Assuming…****(what underpins the causal relationship)** |
| Villages collaborate with and are supported by govt to implement their roles and responsibilitiesANDCommunities are informed and village planning is participatory and inclusiveANDVillages have capacity to manage their role in infrastructure construction and maintenance, service delivery, and social accountability  | People have more confidence in govt to deliver servicesANDPeople are engaged in their village developmentANDWomen and people with a disability have more voice & are more empoweredANDVillage governance is strengthened and resourced | Communities participate in village decision making, construction and maintenance of their infrastructure | National and sub-national levels of government are resourcing essential infrastructure and basic servicesANDVillage governments have the will to be participatory and inclusiveANDPerverse incentives (political, economic, or socio-cultural) do not derail change efforts.  |

Key elements in the causal linkages of EOIO 4 relate to the effective exercise of participatory democracy at the suku level in Timor-Leste, the importance of ensuring villages have the organisational capability and resources to manage infrastructure and services in ways that promote their optimal and inclusive utility, and the need to strengthen relationships between villages and national and sub-national levels of government and administration. These outcomes bring tangible health and livelihoods benefits in addition to greater confidence in government from the population.

## Ways of Working

The Theory of Change includes a set of **ways of working** that articulate specific principles, approaches and good practices that need to be adopted across the program. They are:

**Think and work politically**: this acknowledges that change occurs within a political-economy and obstacles to change are not only technical but are also political in nature. It calls upon the PARTISIPA team to seek and implement solutions that are politically informed and possible and address political as well as technical constraints.

**Be relevant**: too often solutions to development challenges are supply driven rather than driven by the real needs and capabilities of people and systems. Solutions need to be fit for purpose and relevant to the lived experiences, constraints, and opportunities of partners in country.

**Know the context**: the changes that PARTISIPA seeks to catalyse demand contextually tailored responses – one size does not fit all. The context includes socio-cultural, economic, and political factors, as well the incentives and drivers for change across different groups and institutions.

**Build partnerships**: PARTISIPA will build and work in partnership with willing counterparts at all levels; with mutual responsibilities and obligations for creating change. A shared commitment to the PARTISIPA program outcomes will ensure that PARTISIPA resources are well-targeted to achieve results.

**Encourage evidence-based decision making:** data and evidence are essential ingredients in successful policy and program design and implementation at all levels of government. This needs to be supported by effort and influence gained through strong relationships and clever, contextually and culturally relevant communication strategies. Widespread adoption of evidence-based decision making reduces the scope for perverse influences and incentives to shape policy.

**Promote gender equality, disability and social inclusion**: the PNDS program has an impressive record on promoting women’s participation and empowerment. PARTISIPA will need to ensure that initiatives to promote gender equality and inclusion of marginalised groups including people with disabilities are built on these experiences and integrated at every level of the program.

**Plan for a sustainable future:** PARTISIPA can and should contribute to raising climate and disaster awareness of government at all levels, and support village infrastructure that is sustainable into the future, protects natural resources, and promotes low-carbon alternatives.

**Use iterative and adaptive practices:** the political, economic, and bureaucratic context are dynamic and opportunities for change may open (or close) with changes in the context. The program and its partners will test ideas, learn, and adapt to hone and refine activities and approaches. PARTISIPA will need to encourage iterative adaptation in its partnerships to ensure opportunities are exploited and partners maintain a successful trajectory.

**Plan for long-term change**: this investment will be successful if it catalyses changes in local counterparts that bring about new and stronger relationships, systems, and processes that endure beyond the life of the program. Attention needs to be paid to transforming institutional and political incentives that undermine reform into ones that support reforms. With this in mind, PARTISIPA will not attempt to do everything but focus on key areas that will provide the foundations for success and building on these opportunities. Affordability will be a key consideration; PARTISIPA should not adopt approaches that GoTL or communities cannot afford to eventually take over themselves.

**Be community centred:** Programs can easily get caught up in the dynamics and demands of government counterparts, which is not necessarily informed by or responsive to community priorities and needs and sometimes makes little difference to communities. Being community centred means always keeping a clear line of sight between what the program is doing and what communities are experiencing.

## What Success Will Look Like

In ten years, it is anticipated that this investment will have made an important contribution to a more responsive government and strengthened democracy that is building strong foundations for a confident, peaceful, and prosperous future in Timor-Leste.  This will be achieved through successes at the national, municipal, postu and suku levels, outlined in the tables below with intermediate (five-year) successes also described.

Table : What success looks like at the suku level

|  |  |
| --- | --- |
| **In five years (2026) we expect to see** | **In 10 years (2031) we expect to see** |
| * Village committees for PNDS and O&M of water systems are in place and harmonised, are known to the community and citizens engage with them
* Women and people with disabilities are represented and active at community meetings and in decision making and are included on a target percentage of village committees[[16]](#footnote-17).
* More citizens have access to an improved water source as a result of O&M of suku water systems.
* Infrastructure that has been built is sustainable, are low-carbon options, and protects natural resources.
* Most suku have had more than two or three cycles of PNDS funding.
* Citizens have more days of work, income opportunities and learn new skills via participation in program such as PNDS and O&M of suku water systems, as well as improved livelihoods because of the infrastructure that is built (such as irrigation systems).
 | * Village governance is more dynamic and effective leading to more people actively engaging in village decision making.
* Gender power relations are more equal because women have taken advantage of the opportunities to participate in programs and village governance and they are being elected to leadership positions, and norms around what women can do have shifted as a result of women’s participation and various roles.
* People with disabilities and other marginalised groups are included and participate in the economic, political, and cultural life of their community because they have more opportunities, they inform better decisions, and people value their contribution.
* There is more or improved (including accessible) basic services infrastructure in suku as a result of iterative cycles of PNDS, and better maintenance of suku infrastructure.
* People are healthier because the government is better able to deliver services to more people and clean water is readily available.
* Children have better education because they are needed less at home (e.g. for collecting water) and they have better access to schools and parents prioritise sending their kids to higher quality schools.
* The population has more confidence in their government because they have experienced government commit to supporting them.
* There is less instability and more peace because people have confidence, jobs and livelihoods, and more meaningfully participate in collective decision making.
 |

Table : What success looks like at the postu level

|  |  |
| --- | --- |
| **In five years (2026) we expect to see** | **In 10 years (2031) we expect to see** |
| * Municipalities and line agencies work to review and revise the team structure of Postu and explain mandates and responsibilities.
* Municipalities and line agencies provide capacity development and guidance, as well as basic operational support for Postu to fulfil their mandate.
* Postu staff have regular work planning, coordination, and prioritisation meetings and demonstrate an ability to work as a team.
* Postu staff travel to suku relatively frequently, and have the operational resources to do so, to discuss development priorities and challenges, and potential solutions to issues.
* Postu leaders regularly meet with and update / report to municipalities and relevant line agencies on development priorities and challenges in suku, and potential solutions to issues.
* Postu staff are better able to plan for water supply and infrastructure that is sustainable.
* Postu Facilitators coordinate and support the implementation of PNDS, O&M of suku water systems, and other relevant programs and services. Their work is increasingly gender and disability sensitive.
 | * Postu are adequately resourced with an appropriate team structure and have resources (operational and minor capital budgets) to support suku plan and prioritise inclusively and solve small-scale technical problems related to basic services.
* Postu staff understand their respective mandates and have the technical skills to implement their mandates.
* The heads of Postu are managing the coordination and logistics of their teams in ways that ensure postu staff can attend to the priority needs of suku and the postu budget is being used efficiently, for example, by using a roster and scheduling visits of multi-disciplinary teams to suku at times suitable to suku.
* Postu staff spend time in suku supporting participatory decision making that ensures services and infrastructure meet priority needs and are well maintained.
* Postu staff support suku in ensuring that participatory decision-making processes include meaningful participation of people with disabilities, women and other marginalised groups.
* Postu have in-depth knowledge of the development challenges that communities face, and the strengths and opportunities they bring to resolve these challenges.
* Postu are involved in and influence decision-making and practice of municipalities and relevant line agencies by bringing to them the knowledge and experiences they have acquired through their work with villages, and advising upon what works best, what does not, and why.
* Postu staff are working closely with the PNDS teams and other programs to coordinate activities and identify and fill gaps in technical support needs of villages.
* Postu staff are regularly monitoring the O&M of village infrastructure and reporting their findings to municipalities / relevant line agencies, in keeping with coordination and reporting protocols.
 |

Table : What success looks like at the municipal level

|  |  |
| --- | --- |
| **In five years (2026) we expect to see** | **In 10 years (2031) we expect to see** |
| * Municipal staff understand their mandate, roles and responsibilities and can access capacity development and guidance for this mandate.
* Municipal leaders have routine coordination meetings and reporting from postu staff on the development needs, challenges, and opportunities of villages, and visit sukus to monitor programs.
* Municipal annual plans and budgets are realistic in terms of cost and capability for implementation.
* Municipal plans, budgets and programs increasingly reflect the development needs of suku, and these needs are routinely relayed to relevant national agencies.
* Municipal leaders engage with and provide information to citizens regarding plans, budgets, programs and services.
* There is an understanding of the value of diversity and representation, particularly of women and persons with disabilities working in the municipal bureaucracy.
* Municipalities have effective mechanisms for feedback and complaints from citizens, and these are accessible to people with disabilities.
* Municipalities receive, allocate and disburse increased levels of funding for O&M of rural infrastructure.
* Municipal staff have improved skills, competencies and guidance for procurement and contracting.
* Municipal staff are more routinely monitoring the implementation of programs and services, including contracts to ensure the works are progressing.
 | * Municipal governments are listening to the needs, challenges, opportunities, and aspirations of villages and these are reflected in their plans, budgets and programs. They are relaying these aspirations to national agencies through regular forums, accompanied by supporting evidence.
* Municipal Presidents understand the strengths and weaknesses within their own bureaucracies and act to continuously improve competencies and capability to deliver on their mandate.
* Finance staff at municipalities are developing budgeted annual plans that are informed by the priority needs of villages and are realistic in terms of cost and capability for implementation within the allotted time frame.
* Plans, budgets, implementation progress and expenditure of municipalities are transparent and available to all citizens to feed into and review.
* There are more women and persons with disabilities working in the municipal bureaucracy at all levels.
* Municipalities are regularly acting upon complaints and recommendations that emerge through social accountability mechanisms, including by investigating allegations of corruption.
* Municipalities have agreements in place with suku and postu that guarantee annual funding for O&M of rural infrastructure and have evidence that those funds are being put to good use.
* Municipal staff are working to a series of relevant and effective standard operating procedures and guidance that they have the skills and competencies to implement.
* Procurement and contracting at the municipal level is transparent and reflects good practice, resulting in well-managed activity implementation, especially in infrastructure. This includes implementation of accessibility standards for community infrastructure.
* Municipal staff are monitoring the implementation of contracts to ensure the works are progressing according to contracts and result in the delivery of the required goods and services.
* Municipalities have gender equality, disability and inclusion strategies and are committed to achieving change in social norms, access and outcomes that benefit women, people with disabilities and other marginalised groups. Consequently, norms are changing, and women and marginalised groups are benefiting.
 |

Table : What success looks like at the national level

|  |  |
| --- | --- |
| **In five years (2026) we expect to see** | **In 10 years (2031) we expect to see** |
| * MSA and line agencies have agreed clear and consistent mandates for sub-national levels of government and administration, and these are reflected in laws, policies, and guidance
* MSA and line agencies are providing clear guidance and training to sub-national levels to help them implement these mandates.
* MSA and line agencies are allocating and disbursing sufficient resources (staff and budgets) to municipalities and postu in line with their mandates.
* MSA and line agencies are routinely meeting with municipal counterparts to understand the development needs, challenges, and opportunities across the country and conduct joint monitoring visits.
* MSA and line agency plans, and budgets increasingly reflect the development needs of all citizens, including women and girls and persons with disabilities.
* There are more women in key decision-making roles in national level agencies.
* PNDS has included guidance and SOPs for climate and disaster resilient infrastructure, and guidance on WASH is informed by water resource management planning.
 | * The roles and responsibilities of different levels of government are clear and funding follows the functions.
* Line agencies are coordinating their mandates with other ministries and with sub-national level and are therefore ensuring clear and consistent policy and legislation for programs and services. Coordination systems, processes and forums are regular and produce action.
* Line agencies are providing clear guidance and training to sub-national counterparts to help them implement these mandates effectively and efficiently. They are also monitoring implementation, identifying challenges, and taking action to address problems.
* Resources are effectively reaching lower levels of administration without constraints or leakage, and national agencies are providing support to bolster financial management systems and capability across Timor-Leste.
* National agencies have up to date knowledge and awareness of the services and infrastructure needs and priorities across Timor-Leste and commit resources to address those needs on a regular basis.
* The Timorese Government aspiration and commitment to gender equality is actively pursued across line ministries at all levels, and women and girls are therefore benefitting from improved access to services and opportunities.
* The Timorese Government has successfully reached targets for village infrastructure and services in implementation of the Disability National Action Plan – ensuring people with disabilities are receiving equal benefit from infrastructure in villages.
* National political actors are increasingly serving the needs of villages for infrastructure and services and there is bi-partisan support for ongoing resourcing, and support for effective decentralisation.
 |

1. Implementation Approach

PARTISIPA outcomes will be achieved through the implementation of activities across three inter-linked program components:

* Component One: Supporting PNDS
* Component Two: Strengthening sub-national administration
* Component Three: Improving O&M of rural infrastructure

Each of these components will have elements that operate at national and sub-national levels of government and administration. Each component will focus on the supply-side of services delivery, whilst encouraging demand side activities through social accountability mechanisms and supporting village level participatory decision making.

Decisions regarding points of entry and issues to address will change and evolve over time and be dependent upon the shifting opportunities for change i.e. where the political-economy and/or bureaucratic space is open to working with PARTISIPA towards reform. This design sets out starting places and approaches for PARTISIPA implementation and acknowledges that these strategies may change over-time.

## Cross-Component Shared Services

The components appear as silos in terms of outcomes and functions, but at the input and output level most resources operate across all three components. This design has incorporated strong feedback loops and shared services across components to ensure collaborative efforts effect sustained change. The extent of cross-component collaboration becomes more visible in the budget and includes the following:

* A team of approximately 6 Ministerial and Secretariat Advisers to strengthen reform efforts and support initiatives with key GoTL counterpart departments, and who can positively influence policy and decision-making, drawing upon evidence from the field.
* A team of 8 – 12 technical specialists will form a roving National Advisory Team that will be managed centrally but service sub-national level technical needs across all three components. The National Advisory Team will be responsible for providing training, guidance, technical advice and sharing lessons across municipalities and between layers of government administration.
* The Field Support Teams (FSTs) will provide support at Postu and villages across all three components (previously assigned to PNDS). There will be one FST for each municipality. An FST will comprise four specialists, one each in engineering, social development, finance, and water O&M. This has already taken place in four pilot districts under the PARTISIPA Interim program.
* A senior GEDSI Specialist will work across all components, as will the municipal GEDSI advisers to ensure attention to GEDSI issues.
* The PMO Adviser, and other key advisers in relevant ministries, will be responsible for working towards policy outcomes across all components.
* The evidence and learning team-work across all components.

PARTISIPA will work closely with DFAT’s other investments, particularly Governance for Development (GfD) that has a mandate to engage central ministries and agencies to contribute to capacity development and reform. The next phase of the GfD program (2021-2031) is currently being designed. The current GfD program has two end of program outcomes (EOPOs): government makes evidence-based decisions and policy; and improved implementation of policy and service delivery. GfD covers four work areas and two cross-cutting themes: public financial management (PFM); public administration reform; economic development; ‘Other Voices’ to influence policy; as well as gender and disability mainstreaming. GfD is well-placed within key ministries to support the outcomes of PARTISIPA. For example, achieving improved funds flows from national level to sub-national levels of administration require work with the Ministry of Finance. PARTISIPA and GfD management and advisers should establish regular briefings with each other, with associated actions and follow-up on previous actions, to ensure attention on collaborative approaches towards outcome achievement. DFAT at Post in Dili, and the senior management of DFAT investments will need to continue their proactive approach to ensuring that each investment works to support achievement of not only its own outcomes but the outcomes of investments across the portfolio.

It is anticipated that the GoTL will develop a new policy for local development, updating the 2012Rural Development policy. Other policy work relevant to the PARTISIPA outcomes is likely to emerge over the life of the program. PARTISIPA will work with DFAT to identify priorities and resource those priorities as appropriate. The PARTISIPA budget carriers enough flexibility to allow for responsiveness to strategic issues.

Similarly, the GoTL has plans to revise the village law to strengthen and formalise the role and mandate of the village as a level of government administration. This may be accompanied by budget allocation to villages to implement activities or programs (modelled to some extent on the Indonesia village law of 2012). If this were to eventuate, PNDS may be rolled into village law rather than a stand-alone program. PARTISIPA will engage with GoTL in the development and shaping of village law through their advisers in MSA, and through the management team and DFAT.

# Component One: Supporting PNDS

From the Mid Term Review of PNDS, Feb 2017

“PNDS-SP has directly assisted PNDS to implement and support a comprehensive 12-step participatory process related to technical, social and financial aspects of planning and construction support.

The Support Program has contributed to the recruitment and capacity of a large number of the Government’s management systems and structures at national and municipal levels, through a comprehensive pre-service training process and ongoing in-service mentoring and coaching

Processes used in PNDS mean that there have been many other development benefits beyond completion of infrastructure. These include increased confidence and experience in community organization and leadership, improved gender equality in community-level decision-making and sustainable capacity in supporting community-driven development at national and municipal levels. PNDS is also meeting gender targets, with women’s participation in community management committees averaging 40 per cent.”

PARTISIPA will provide targeted, ongoing support to GoTL implementation of PNDS. The flexible and adaptive approach of Australian support has been a strength to date and will need to continue, including carefully tapering off support to the PNDS Secretariat as it demonstrates increased capacity to deliver independently. PARTISIPA will continue the successful achievements of Australian support by providing a range of technical support and advisory services to the GoTL’s implementation of PNDS such as capacity building and training, gender and social inclusion, communications, and monitoring, evaluation, and learning (MEL). Strengthening knowledge and skills in engineering and technical elements of construction has been an important function of the program and will continue as it has a strong influence on quality of infrastructure, works supervision and operations and maintenance. The lessons from the experience of PNDS are important for O&M of broader infrastructure and upskilling and professionalising those skills in municipalities and postu.

## Field Support Teams

PARTISIPA will continue and expand the number and role of Field Support Teams (FSTs). The FSTs have previously been regionally based (i.e. covering more than one municipality) and their composition and skill set mirrors government PNDS Facilitator teams albeit with higher ordered technical capabilities. Each FST and PNDS facilitator team comprises a three people: a social development specialist, an engineer, and a financial management specialist. The FSTs support the GoTL teams of facilitators in implementation of the PNDS Standard Operating Procedures (SOPs) to ensure participatory and inclusive decision making, technically sound infrastructure planning and construction, and robust financial management of the PNDS funds by villages.

The Australian Government funded PNDS FSTs, and the GoTL funded PNDS Facilitator teams, have proven catalytic in advancing women’s participation, capacity building in governance and financial management, and implementation of good engineering standards (recent PNDS SOPs have integrated climate resilience). They are highly regarded by municipal and postu administrations for their technical capability and resources. The PNDS facilitators will sometimes assist municipalities and postu in the management of other, non-PNDS funded infrastructure planning, such as that funded through the PDIM scheme.

In increasing the number of FSTs and attaching one each to a municipality, PARTISIPA will have the capacity to provide technical support to both PNDS and to municipality and postu priorities, particularly O&M of village level infrastructure. One FST will be situated with each municipality and comprise an additional water supply O&M specialist. PNDS will continue to be a priority for FSTs, however the balance of attention may be different across municipalities, ensuring flexibility for FSTs to position themselves where most needed. For example, some municipalities may require more attention to O&M of water supply at village level, rather than construction. Their role in non-PNDS related priorities, and the balance between priorities, will be part of the negotiations and planning between PARTISIPA and Municipal Presidents (see Component Two).

The role of FSTs will continue to include technical advisory support, hands-on “learn-by-doing”, mentoring, the provision of training in application of national standards and the PNDS SOPs and monitoring (including through joint monitoring missions). FSTs will continue to prioritise professional development of PNDS facilitators, with an increased focus on social facilitators’ skills in areas of community mobilisation and leadership, community and disability inclusive monitoring and social accountability, and conflict resolution, within the context of core PNDS activities such as community planning and monitoring. Additionally, FSTs will facilitate postu staff to actively monitor and support the effective functioning of PNDS community management groups so that planning, prioritisation, and construction of PNDS infrastructure is achieved in line with the PNDS Decree Law, Program Operations Manual and guidance notes.

## Ministry and Secretariat Adviser Team

PARTISIPA support to GoTL at the national level includes advisory services to the PNDS Secretariat in jointly identified priority areas and support to key functions such as budget and finance. Beyond the PNDS Secretariat, PARTISIPA will place TA within MSA, MoPW and potentially other Ministries such as the Office of the Prime Minister and Ministry of Finance. In addition to the technical transfer of knowledge and skills to GoTL counterparts, TA will seek to maximise policy influence in relation to PNDS. Should other Australian investments have TA in these ministries, PARTISIPA may draw on these Advisers rather than invest in additional TA.

The focus of the PARTISIPA national advisory team in relation to PNDS will include:

* Support the planning, budgeting, implementation, and monitoring of the annual PNDS activity cycle (Annex 11) including supporting planning and implementation of each stage of the activity cycle
* Support trouble shooting and improvements at each step in the activity cycle in response to implementation issues
* Continue to strengthen the PNDS complaints handling system and capture lessons from the system to inform other subnational social accountability mechanisms within PARTISIPA’s scope of support
* Continue capacity improvements in the GoTL and PNDS delivery through design and dissemination of guidance notes, standards and information circulars, training updates / refresher training, etc.
	+ Depending on needs and coordination with government who also fund training, PARTISIPA may provide training in areas such as finance management, M&E, ICT, MIS, project management, conflict resolution, leadership and communication, operations and maintenance, facilitation skills, women’s leadership, disability inclusion as well as specialised technical training on water systems, steel roof frames, electricity installation and so on. Specialised training may be contracted out to education and TVET providers. The program will continue to provide opportunities for program (both PARTISIPA and GoTL staff) to study in courses accredited under Timor-Leste’s National Qualification Framework so that the program is investing in long-term skills and development.
* Continue to entrench gender and social inclusion across all elements of the PNDS program
* Continue to support effective gathering of relevant program data, lessons, and evidence and using this for information sharing, reporting, evidence-based policy development, and advocacy
* Support PNDS leadership to navigate political challenges (especially around budgets and expectations of what the platform can deliver)
* Support the PNDS Secretariat to design, pilot, and implement new approaches to various elements of the PNDS program, including the design and implementation of realistic and achievable other funder-driven initiatives
* Undertake regular review and improvement of the PNDS architecture - Decree Law, Program Operations Manual, Guidelines, templates, training modules, etc.
* Support better coordination and broader policy reform that allows for smooth program implementation (e.g. review and revisions to the Suku Law, infrastructure technical standards – including of accessibility, village planning and budgeting processes, etc.).

PARTISIPA will ensure that the National Advisory Team includes people who have strong skills and knowledge for supporting climate change and disaster resilience design and implementation across all aspects of the Program, particularly PNDS.

## Feedback Loops

Feedback loops between national and sub-national decision makers and villages are critical to the success of PARTISIPA’s aim of supporting Timor Leste governments to build successful models of development with sustained benefits. Feedback loops ensure that evidence and understanding of lived experiences at the grassroots are informing decision making at all levels. PARTISIPA’s approach of working at all levels, and across relevant ministries, brings opportunities and entry points for the Program to influence decision making with the use of evidence. However, the Program will need to pursue these opportunities proactively and regularly in order that teams do not become siloed and disconnected from the realities of life in villages. Opportunities may include:

* Data driven field reporting from FSTs to postu, municipalities, and the PNDS secretariat and for the PNDS Information System
* FST workshops to harvest experiences and evidence across regions
* Joint monitoring missions that include different levels of government and may be cross-ministerial
* Facilitating senior municipality administrators and presidents to regularly meet to review evidence, share experiences and lessons, and generate solutions
* Issue based analytical pieces and dialogues to engage policy makers
* Cross-municipality study visits to pollinate learning
* Independent research that lends credibility to Program generated evidence
* Info-graphics and think pieces to engage political and administrative audiences

PARTISIPA will build on the experience of the current DFAT investment to strengthen feedback loops for both itself, and with GoTL.

## Priority Policy Reforms

PNDS faces a range of policy constraints that the PARTISIPA program will need to influence early in the life of the Program, and update and continue to influence throughout the life of the Program. First order priorities include the continuation of PNDS. Later, PARTISIPA can assist GoTL in its considerations of an expanded menu of options that moves beyond infrastructure and to other priorities such as sustainable livelihoods, women’s empowerment, O & M funds, etc. Guaranteed annual transfers to sukus supported by facilitators at the postu level, including engineers/technicians, should be a long-term policy goal for PARTISIPA.

PARTISIPA will identify a range of service delivery constraints and will seek to positively influence reform in these areas (PFM, procurement, budgets etc). In collaboration with GfD PARTISIPA will seek to i) ensure that information from PARTISIPA FSTs and municipal advisers are fed back from the frontline of service delivery to relevant GoTL ministries to inform decision making and improved policies and resourcing and ii) support relevant GoTL agencies undertake a consultative policy development process, including with local authorities, when developing new laws and regulations that impact service delivery.

Priority policy issues to be addressed by PARTISIPA Advisers include:

**Extending the PNDS Decree Law:** The current PNDS Decree Law (which provides the legislation for the program to operate and be funded) expires in 2021, and if this is not amended then the program could come to an end. The current PARTISIPA program is working with the PNDS Secretariat and other ministries to ensure that the Decree Law is extended and finalised. If this is not secured, the new Program will need to focus on these efforts, including through increased use of data and evidence of the program’s success, and more intense advocacy and lobbying, and by making space for sub-national government and citizens voices to be heard.

**GoTL vision for PNDS:** PARTISIPA will support GoTL to think through and articulate the medium and long-term vision and strategic objectives of PNDS including its evolution beyond a basic infrastructure program. The utility of the PNDS mechanism to enable a COVID-19 response has demonstrated to GoTL the potential for PNDS to also be a vehicle for livelihoods and income generation. PARTISIPA can support GoTL to shape these changes, with a view to ensuring the PNDS mechanism is resourced and has the capacity to execute its increasing mandate to a good standard.

**Linking decentralisation and suku law:** PARTISIPA will support policy dialogue on the mandate of suku in delivering and maintaining infrastructure and basic services, the division of mandate and resources at a sub-national level (including potentially showcasing how decentralisation can occur in practice), and who owns PNDS-built assets.

**Village Law Revisions:** PARTISIPA will support MSA in carrying out the revisions to the village law should this become a GoTL priority. The village law revisions will strengthen the role and mandate of villages and could see PNDS rolled into an annual village budget allocation. It will be important that the budget assigned to villages is allocated for specific purposes and village priorities.

**Tackling the issue of PNDS in urban suku:** currently, PNDS grants support both rural and urban suku, even though infrastructure is not usually the most pressing development issue in urban suku, where services infrastructure is often delivered through other mechanisms. PARTISIPA will support policy dialogue with MSA on what constitutes an ‘urban’ suku and seek alternatives to the current PNDS cycle in urban suku.

**Securing long term funding:** The PNDS Secretariat and suku leaders should be supported to lobby for long-term guaranteed funding (at least five years). The program should also help advocacy for appropriate funding for O&M of basic suku infrastructure such as water systems and rural roads.

**Rural Development Policy:** The GoTL has plans to revise the 2012 rural development policy, updating it with clearer mandates regarding responsibility for village, municipal, and national infrastructure. PARTISIPA can provide critical inputs to the policy development, drawing upon its insights and knowledge of what works, what does not and why in village and municipal infrastructure.

PARTISIPA will draw upon their national advisers to support these policy reforms and collaborate with the Australian Government’s portfolio of investments in Timor Leste to access other expertise that it may require. For example, the TOMAK Program has advisers with expertise in agriculture, markets systems and livelihoods. These advisers could be helpful in revisions to the expansion of PNDS into new areas for village funding.

## Improving Coordination

PARTISIPA Advisers will support the PNDS Secretariat to operate more strategically and coordinate more routinely with sectoral and sub-national counterparts who are not always adequately engaged in the management and implementation of PNDS and therefore are unable to offer the program political, administrative and financial support. PARTISIPA Advisers will support the PNDS Secretariat to reach out to line agencies and municipalities so that these important program stakeholders feel that their reach, influence, and achievements are expanded rather than contracted as a result of delivering via PNDS – which is a national program delivered by MSA. This will enhance broad-based support for the program, which could be viewed as competition e.g. from SMASA in the delivery of suku water systems. PARTISIPA Advisers should support the PNDS Secretariat to ensure that all agencies receive visible credit for achievements, and that sufficient consultation is undertaken on revisions to program laws, regulations, manuals, guidelines, and training so that other agencies have a sense of ownership over the platform.

Marketing/ Communications expertise could be engaged in the PNDS Secretariat to work with line agency and municipal governments to showcase and communicate success stories and the impacts of reforms. This will increase the profile of PNDS and build political support.

## Gender Equality, Disability and Social Inclusion

Gender inclusion outcomes have been a significant achievement of PNDS. The PARTISIPA program will continue to mobilise gender and social inclusion expertise to ensure that PNDS planning and implementation processes continue to increase the visibility, voice, and agency of women, and improve these for people with disabilities and other marginalised groups. PARTISIPA will seek to promote greater inclusion through the SOPs, and through monitoring and data collection. For example, current village data sets could include people with disabilities by integrating the Washington Group questions.

PARTISIPA will appoint a senior GEDSI specialist, reporting directly to the team leader, to pursue strategies and approaches that catalyse and mobilise attention to GEDSI issues and change. At the national level, the Specialist will provide leadership and support in the conduct of activities such as:

* A GEDSI audit of the national budget and the PNDS SOPs
* Monitoring equality and inclusion targets and providing advice on ways to improve outcomes
* Training of PARTISIPA staff (FSTs, municipal staff and technical advisers) in GEDSI issues
* Intensive transformative training for select leaders
* Promoting inclusive monitoring and evaluation frameworks and approaches

PARTISIPA will develop an ambitious gender and inclusion strategy that provides a sound platform for generating ongoing outcomes, collecting data, and communicating results. Gender and inclusion plans and outcomes will be included in policy dialogue, advocacy and awareness raising to highlight how PNDS is implementing the GoTL constitutional provisions regarding citizen equality. Long-term partnerships and engagement with Timorese Disabled People’s Organisations will be key to ensuring people with disability participate, and benefit from PNDS.

PNDS has mainstreamed gender equality across the PNDS program. For example:

- Standard Operating Procedures require 40% women’s participation in the socialization processes for PNDS and in the selection of priority projects

* A social development specialist on Field Support Teams ensures attention to gender equality and women’s leadership on an ongoing basis
* Women make up 45.5% of Community Management Teams, supported by facilitators to participate actively
* 33.5% of PNDS staff at sub-national level are women
* 28% of those undertaking labour for project construction are women.

The foundations that have been laid in the first phase of PNDS augur well for ongoing achievements and progress in relation to women’s participation and suggest potential to achieve greater gender equality outcomes in the medium to long term.

Gender Equality in PNDS

Although PNDS has achieved results in promoting gender equality and women’s participation, there are fewer results in relation to addressing gender-based violence (GBV). Further exploration of the potential and options for PNDS to be a vehicle for preventing GBV, for example through women’s economic empowerment and leadership as well as intra-household opportunities and decision making, is required in the early years of PARTISIPA implementation. Research is likely to be required to inform approaches and ensure a do no harm approach can be adopted and maintained through PNDS.

Similarly, PARTISIPA could help strengthen PNDS inclusion of people with a disability. PARTISIPA will benefit from closer engagement with DPOs in planning and implementation at national and sub-national levels, and replication of some of the successful approaches to women’s inclusion adopted in the SOPs (for example, a meeting of people with disabilities prior to the village meeting to prepare their priorities and position on issues, and targets for inclusion in cash for work schemes).

## Climate Change and Disaster Resilience

There are numerous opportunities for PARTISIPA to strengthen climate and disaster resilience through the Program, and support climate informed planning at national, municipal and local levels. DFAT's 2019 Climate Change Stocktake for Timor-Leste recommended that PARTISIPA in its support to PNDS:

* Work with Green Climate Fund initiatives to support the revision and roll-out of standards, guidelines and specifications for rural infrastructure to respond to climate risk reduction requirements including PNDS program manuals and the National Water Supply Policy.
* Support the implementation of new screening methods and climate measures across PNDS budget, planning, construction and decision-making and maintenance.

PARTISIPA will also ensure its team includes people with strong skills and knowledge to embed climate change and disaster resilience across PNDS, and support skills development within GoTL and within the PARTISIPA team. Regular technical audits should capture aspects of the resilience of infrastructure to disasters and climate change, and a regular scan and engagement schedule with climate action partners would help to identify and action opportunities.

There are also opportunities to include other options on the PNDS menu such as carbon-farming as to improve livelihoods and promoting revegetation of land around rural water supply systems, slope stabilization of rural road corridors and installation of climate resilient rural flood defences. While the renewable energy market in Timor-Leste is small, particularly given comparatively high rates of electrification, the program could also work with PNDS to look to use renewables, such as solar panels, in construction of small-scale infrastructure.

## Water Resources Management

The 10-year horizon for PARTISIPA carries with it good reason to be hopeful that village level water supply will improve in that time. It can be expected that water use will also increase over that timeframe, beyond the capacity of many of the systems PNDS has put in place. However, as water use increases so too will competition for water, especially during months when water availability is low (i.e. late dry season). Climate change creates uncertainty, for example more severe storms may increase annual rainfall but it is not clear how surface flows and groundwater will be affected. The PARTISIPA team at the national level will need to support GoTL water planning and modelling, and engineer solutions that are practical and manageable at municipal, postu and village levels. As a starting point, Across Component one and Three of the program, PARTISIPA should:

* + In the design of water supply systems at village level, take account of the fact that over time, as populations grow and water demand increases, water supply systems will need to scale up, include substantial water storages and involve more engineering inputs to extract groundwater or draw from surface water flows.
	+ Build some redundancy in systems to accommodate population growth and increasing per capita water demand. For example, by adding 20 per cent more water storage capacity or select sites for water storages that can accommodate building additional storage capacity in the future.
	+ Incorporate knowledge of water resources when planning water systems by linking up with water resource management activities, consolidating data already available and taking a systematic approach to better understanding water resources.
	+ In capacity building approaches, start to build knowledge and skills in water resource management and create opportunities for this to be applied in project planning and execution.
	+ Incorporate water monitoring technology in systems – some of this can be simple, e.g. water level indicators in water storages.
	+ At the national level, include water resource management in discussions including application of the new water resources policy.
	+ Towards the later period of the program, begin to include multiple use water systems in infrastructure. This could include agricultural and industrial uses – e.g. for coffee or other agri-food processing.
	+ PARTISIPA supported water supply projects could feed off larger more integrated water supply systems that are planned and executed at the national level and source water from aquifers and surface water that cuts across municipal boundaries.
	+ Complement the demand driven nature of PARTISIPA infrastructure with supply driven approaches e.g. plan for suku level systems that combine and are linked to large urban water supply systems being developed.

## Evidence, Advocacy, and Policy Influence

The PARTISIPA communication and influencing strategy will continue to evolve and develop in line with opportunities for policy advocacy and influence. PARTISIPA’s Senior Stakeholder and Engagement Adviser will support GoTL to access and utilise evidence and data more effectively for advocacy, awareness raising, and communications, including by mining existing M&E data and studies; disseminating information more strategically to lobby for broader GoTL support for and ownership of PNDS; and expanding the target audience to include emerging stakeholders such as municipal administrations, line agencies, the Suku Leaders Association, civil society, and other audiences. The Senior Stakeholder and Engagement Adviser will work with counterparts to maintain the visibility of PNDS successes to Parliament, the Council of Ministers, sectoral ministries, and civil society, and ensure that these successes build political and bureaucratic support for the program.

There is a need for PARTISIPA to invest in further studies and evaluations, including for the purposes of understanding what PNDS has done well, and its limitations and weaknesses. For example, a study that explores the extent to which people with disabilities have benefited from village level infrastructure, and how outcomes can be improved, would be helpful at both policy and implementation levels.

## COVID-19 Response and Recovery

The Australian Government has worked closely with the GoTL to mobilise resources and services in response to the COVID-19 crisis. In addition to rapid responses through existing programs, and additional funds to support them, the Australian Government provided AUD7 million in earmarked budget support to GoTL for community resilience and economic recovery in June 2020. These funds were provided for additional PNDS grants for a third of Timorese communities (152 suku).

As a national program PNDS reaches every suku in Timor-Leste and is therefore well-placed to provide the administrative infrastructure required for economic stimulus directly to communities to assist them to face the challenges of COVID-19. Prior to the disbursement of funds, Australia undertook a rapid assessment of partner government systems to manage the funds and assessed GoTL systems as presenting an acceptable fiduciary risk due to the existing support program (PARTISIPA) and Australia’s longstanding partnerships with MOF and MSA. As such, and because of the emergency nature of the funding, Australia agreed to waive the requirement to undertake a full Assessment of National Systems (ANS) as would normally be required to provide budget support. Any future on-budget support to GoTL is conditional on an ANS being undertaken, the findings of the assessment and relevant sector fiduciary assessments.

The overall goal of the AUD 7million budget support was to enable GoTL led efforts for community resilience and economic recovery in response to the COVID-19 pandemic. The key strategic objectives were to:

1. provide quick and direct resources and opportunities to communities to help maintain economic activity and improve critical infrastructure in their villages.
2. demonstrate Australia’s commitment to the people and government of Timor-Leste to achieve Timor-Leste’s development goals through country led programs and priorities.

The Program was initially planned as a one-off short-term response to the COVID-19 pandemic in Timor-Leste and will end on 31 December 2020 when all funds are expected to have been disbursed to PNDS suku bank accounts.

While the current arrangement is being managed directly by DFAT as a separate initiative, the PARTISIPA team is providing significant technical support to the initiative. If this aid modality continues, the PARTISIPA team will need to continue to support or possible manage Australian Direct Budget Support to GoTL. This could include implementation of the ANS and other necessary context and systems monitoring and assessment protocols. There is significant DFAT guidance on using partner government systems, investing in PFM reform, and managing Direct Budget Support initiatives.[[17]](#footnote-18)

# Component Two: Strengthening Sub-National Administration

Municipalities and postu have had limited capacity to realise their evolving mandates under decentralisation. As decentralisation continues, so too does the need for sub-national governments to grow their capacity to deliver relevant, quality programs and services. Basic systems and processes that enabled them to administer their mandates remain in their infancy in many locations, and inconsistent mandates and resource constraints only serve to amplify sub-national governments’ inability to deliver.

Building fundamental administrative systems and processes (such as planning, PFM, contracting and procurement) are a critical foundation for expanded capacity to deliver programs and services to communities. The national government has not consistently provided municipalities with clear mandates, nor has it generated user-friendly policies and guidelines that inform implementation of designated mandates. Municipalities are therefore trying to implement without foundational systems and processes, and without clarity on their roles, responsibilities or authority.

PARTISIPA will support municipalities to strengthen administrative core functions and capabilities, address the basic needs of villages, and be responsive to their citizens including attention on women, children, people with disabilities and youth. To do this, PARTISIPA will bring to municipalities who opt in with technical support for governance and GEDSI (one fulltime advisor for each position) and senior technical support from the PARTISIPA Roving National Advisory Team (discussed further below). In addition, municipalities will work with their TA to select options for other activities and utilising additional support (approximately AUD 24,000 per municipality per year) that includes technical advice (i.e. fulltime TA in PFM, infrastructure, etc), training, workshops, pilots, twinning arrangements, and other activities as agreed by DFAT, PARTISIPA and the Municipal President.

The PARTISIPA Interim program (Jan 2020 – Jun 2021) is currently piloting component two approaches. The program is operating pilots in four municipalities with indications of positive results. Once the full PARTISIPA program begins in July 2021, the implementing partner will need to ensure a smooth transition with minimal disruption and take on the board the initial lessons, activities and commitments from these pilots. The Implementing Partner will need to build on and consolidate the approaches, roll-out the Program, and construct a whole of program MEL Framework and Plan with partners.

In keeping with the Ways of Working, PARTISIPA will seek to partner with willing municipalities to support them to build their machinery of government and deliver on their mandates. The partnership approach denotes mutual responsibilities and obligations. PARTISIPA will not provide the full suite of support to municipalities that are not willing to commit to a shared agenda of change. This approach derives from lessons learned in implementing development programs in Timor-Leste and elsewhere, counterpart commitment is an essential ingredient for sustainable, positive change.

PARTISIPA’s approach will build in three mechanisms to ensure there is political commitment at the municipal level for reforms:

1. An *opt-in* mechanism whereby municipalities will be able to ‘opt in’ to receive PARTISIPA support.
2. *Shared objectives* whereby PARTISIPA and Municipal Presidents together set objectives, targets, and approaches.
3. A *menu of options* that establish the scope and types of support available.

## Opt-In

Component Two activities of PARTISIPA will be rolled out only in those municipalities that have made an informed decision to Opt-In to the PARTISIPA program. This criterion reflects PARTISIPA’s respect for the authority of the Timorese Government, and ensures mutual commitment to the program of activities and outcomes, although DFAT expects, based on the current program pilot and level of interest, that most, if not all municipalities will participate and PARTISIPA will have the resources to support all interested. This approach is supported by the Minister of State Administration. Opting-In requires that municipalities and DFAT (through the PARTISIPA program) reach agreement on the priorities for assistance and the resources required. Municipalities that do not opt-in will still benefit from the rollout and strengthening of national policies and guidelines, training as well as the technical support of field support and roving national TA teams.

The Opt-In model has been selected to reflect the Australian Government’s respect the for the jurisdiction and mandate of municipal administrations, and to work in a way that ensures a negotiated agreement between the governments as opposed to the more traditional donor-recipient relationship that is characteristic of many programs. It reflects the fact that both parties have commitments and responsibilities to the agreement, and both parties bring different yet valuable resources to the implementation of the agreement.

PARTISIPA will retain allocated and modest resources for each municipality that may be used for a range of assistance such as additional TA; twinning arrangements; software or small grants, etc. Matching grants to municipalities have been included in the list for the purposes of pilots for municipalities and O&M who are keen to test new approaches to achieving better outcomes. Grants for ongoing programs or services are not considered appropriate because they are not sustainable. PARTISIPA should be careful to ensure that municipalities do not perceive the program as a grants program and to also manage issues around demand for support within and across municipalities.

DFAT and a PARTISIPA advisor will open a dialogue with the relevant Municipal President to discuss the program’s aspirations and approaches. PARTISIPA will provide details of the types of assistance that can be provided, the areas of assistance, and the expectations of municipalities in relation to shared objectives, planning, and implementation. With the benefit of full visibility of expectations, the Municipal President decides whether to opt-in to the program.

## Shared Objectives and Responsibilities

Municipalities that opt-in to PARTISIPA will be provided with at least a locally-engaged Municipal Adviser and Municipal GEDSI Adviser, who can assist the Municipal President meet the challenges of their office. Together, they will articulate the shared objectives of the PARTISIPA investment and develop a brief Five-Year Strategic Plan that sets out priority reform areas, outcomes and a road map for change. Simplicity in strategy and work programming will be important.

The Five-Year Strategic Plan forms the basis to the agreement between PARTISIPA and Municipalities and articulates the commitment from each to the objectives and to the resourcing required to achieve the objectives (see template at Annex 4 which proposes a total of 3 pages). It should be straightforward and short, and revisited (and potentially updated) annually. The Five-Year Strategic Plan should reflect the priorities of the municipality and the scope of services available through PARTISIPA as set out in the menu of options (see below). This document provides the direction for the annual workplans for PARTISIPA’s work with the municipality.

The Annual Work Plan (AWP) will be developed jointly between the PARTISIPA Municipal Adviser and the Municipal President and relevant staff on an annual basis. The AWP will identify actions, responsibilities, timing, and contributions of each partner over the course of the year. The template (see Annex 5) proposes a 2-3-page narrative that sets out the key objectives, the activities to support achievement of objectives, the responsibilities of the municipality and PARTISIPA, and risks. It also includes a simple work-plan tool to map out timing of activities. The AWP are important to joint accountability and realisation of objectives; however, they should not be burdensome or overly ambitious.

## Menu of Options

A menu of options will be established centrally (DFAT, PARTISIPA with MSA) and provide boundaries to the range and type of investments that the program is willing to make to strengthen sub-national administration. The menu of options will identify both the functional areas that PARTISIPA will support (e.g. PFM, human resource management, sector coordination, planning and budgeting etc.) and the types of assistance PARTISIPA can provide (i.e. TA, training, grants etc.).

Attached at Annex 6: Municipal Menu of Options is an example menu that will be tailored, validated, and approved by DFAT and MSA during the PARTISIPA inception period. During the inception period of PARTISIPA, the menu of options should be informed by consultations with representatives from women’s groups, DPOs, and other marginalised groups. It should also be subject to review by a climate change and disaster resilience specialist or group.

## Non-Negotiables

There are some non-negotiables that each municipality will be required to include in their strategy and AWP if they decide to opt-in to the program:

1. Commitment to O&M of suku water systems and other basic infrastructure
2. Public Financial Management strengthening
3. Social accountability measures
4. Gender equality and disability inclusion targets

Social accountability measures will be designed and introduced at the municipal level to promote feedback loops from citizens and embed such systems in the early stages of decentralisation so that they become a strong feature of municipal administration. Social accountability improves democratic accountability and transparency within municipalities and improves the quality and responsiveness of municipal service delivery. There are numerous social accountability methods and models that can inform the design of tailored approaches in each municipality with the support of the PARTISIPA Municipal Adviser. Examples include community information and consultation processes, complaints handling mechanisms, citizen or CSO audits, performance surveys etc. Each of these needs to be designed such that they are accessible to women, people with disabilities and other marginalised groups.

Gender equality and diversity targets will be jointly developed between the Municipal President and the PARTISIPA Municipal Adviser for inclusion in the Five-Year Strategy and AWP. The targets will be tailored to the context and will include both gender and inclusion targets that are designed through engagement with groups who represent the people for whom the targets are being set. Targets might include, for example, % increase in number of women in senior municipal positions, annual gender audits; % participation of people with disabilities/ DPOs involved in social accountability mechanisms; disability inclusion audit (or analysis) conducted to inform strategy development; increase in availability of sexual and reproductive health services, etc. The PARTISIPA team will bring together a list of examples that can be used to trigger municipality design ideas.

O&M of some suku infrastructure is a key component of PARTISIPA support and municipalities that opt-in to the program will be required to implement one or more of the models and methods that are being trialled or that have proven effective. This may include implementation of the community contracting approaches that require municipalities to commit to O&M funding in target communities. Other models such as private sector contracting, or public-private partnerships will also be presented and considered for inclusion. Advisers will ensure that any approach to community construction is inclusive and safe.

## Municipal Adviser

PARTISIPA will place a Municipal Adviser in locations that ‘opt-in’ to the program of support. See Annex 7: Municipal Adviser Terms of Reference. The Municipal Adviser will work with the Municipal President to develop the Five-Year Strategy and AWPs, and they will jointly provide oversight of implementation. Additionally, the Municipal Adviser will bring the various threads of the PARTISIPA program together and ensure PARTISIPA investments in PNDS and O&M of essential infrastructure are linked up, coordinated, and mutually reinforcing.

At the outset, the Municipal Adviser and Municipal President will undertake a needs assessment using existing data and evidence to help them prioritise strategic directions and PARTISIPA investment options (the four pilot municipalities are already undertaking assessments). The AWPs will align with municipal annual planning process to build close alignment between program priorities and the government’s own priorities. The AWP will demonstrate how the selected activities link to municipality priorities, the Five-Year Strategy and to PARTISIPA outcomes, and clearly identify commitments (financial, political, and other) that the Municipal President and PARTISIPA are willing to contribute.

The Municipal Adviser will play a role in coordinating Australia’s investments with key stakeholders at the sub-national level. Their role could potentially be extended to include other forms of coordination and collaboration between investments, depending upon the level of demand for this coordination from DFAT. Coordination requirements need to be actively monitored to ensure the approach is balanced and that advisers do not become gatekeepers but rather play a useful role in driving alignment across programs and sharing information and lessons. If demand is high and the role becomes resource-intensive, additional support will be considered.

The Adviser and their counterparts will be supported by sectoral and specialist advisers at the national level (roving team) and be provided with mentoring and training support, coordinated by the Municipal Development Adviser in Dili.

## Municipal GEDSI Specialist

To facilitate the development and achievement of the gender equality, disability and social inclusion targets, each municipality will be provided with a GEDSI specialist. The GEDSI specialist will support a range of initiatives to raise awareness, catalyse change, and achieve GEDSI targets within the municipality administration and across communities. The specialist will seek to transform the gender and able-normative bias inherent within individual decision makers, groups, and institutions, including through mentoring and training, and creating platforms for the voices of women’s organisations that have proven effective in challenging norms and catalysing change. The specialist will also work closely with Disabled People’s Organisations to ensure their voices are heard and to gain advice on technical elements of physical and communication inclusion and accessibility for people with disabilities in programs. Analysis of the situation of people with disabilities could draw on the inclusive municipal level consultations that were conducted in 2019 as part of the DNAP (Disability National Action Plan) draft development.

The inclusion of a GEDSI specialist and non-negotiable GEDSI targets acknowledges that there may be limited demand for gender equality, disability and social inclusion expertise and services across the government institutions of Timor-Leste because it is not seen as a priority issue. Deeply embedded patriarchy and norms underpin gender inequality but precisely because they are deeply embedded, they are often invisible. Similarly, understanding of and attitudes towards disability are often not considered, but are the starting point for addressing change. Demand for GEDSI expertise only increases after key decision makers and institutions have become aware of the issues, develop a lens that enables critical analysis on an ongoing basis and then prioritise change.

## Roving National Advisory Team

Strengthening sub-national administration will draw upon a roving national advisory team that consists of expertise and skill sets that are in high demand at municipal level. Although a single unit, the National Advisory Team is specifically designed to support sub-national implementation of PARTISIPA, particularly the Municipal Annual Work Plans (see “Cross-Component Shared Services” section for more information). The team of advisers will comprise a range of skills to support improvements in policies, systems, training and guidance of key administrative functions, water and sanitation expertise, and climate change and disaster resilience expertise.

The current PARTISIPA Interim program has or proposes to include advisers with specialist expertise in public financial management, planning, human resource management, procurement and contracting, and other core functions depending on evolving priorities and needs. This TA team will play a critical role in providing feedback from the field to the central government and to PARTISIPA advisers located in ministries and secretariats. In so doing, they will help to guide reforms that will better support municipalities to deliver on their mandates. The National Advisory Team working as a single unit enables the application of consistent advice and approaches to municipalities across Timor, thereby avoiding the problem of different advisers providing inconsistent information and direction to counterparts. The National Advisory Team will require a manager to ensure unity of approach and direction amongst the team.

The Municipal Adviser will play an important role in coordinating and harnessing the inputs of PARTISIPA funded TA at the municipal and village level, in support of the municipal objectives and the PARTISIPA outcomes. The inputs at municipal level need to support achievement of PARTISIPA outcomes across all three components and therefore be proactive in bridging all components and facets of PARTISIPA, including by being responsive to colleagues working on other functions and components. For example, the national planning adviser needs to work with each Municipal Adviser to support improved planning across municipalities, being mindful of how this also supports better outcomes for PNDS and O&M of rural infrastructure. The PFM adviser should support improved municipal budgeting and financial management as well as facilitate better allocation and disbursement of funds for PNDS and O&M of suku water systems within these budgets and systems.

See Annex 8: PARTISIPA Staffing Profile.

## Incentivising Performance

Performance will be incentivised by linking achievement of results in AWPs to further resources. The Five-Year Strategy and AWPs will set targets that, once achieved, trigger further investments. The targets will include gender equality and inclusion targets. The targets will need to be practical, achievable, objective, and easily measured. The emphasis should be on simplicity.

Other performance incentives for municipal administrations could include providing support for communications and socialisation of successes to the population, small co-financing options such as to leverage reform in management of goods and services budgets, access to capacity development opportunities, specialised training, learning based visits and events, and so on. Performance-based financial incentives will also be considered subject to the findings of the ANS.

## Shared Learning

The United Nations Development Program (UNDP) has a program of strengthening sub-national governments, with elements funded by the European Union and KOICA. The UNDP program is substantially different from the approach that PARTISIPA adopts but addresses some related issues in some overlapping locations (Baucau and Bobonaro). There is merit in building a joint monitoring and learning approach to share lessons and successes. This would see DFAT and UNDP as well as their two implementing teams conduct joint learning events to review the different approaches and promote shared learning and adaptation.

There may also be possibilities to share learning from ANCP and other development partner programs on community action processes and sustainable development approaches.

# Component three: O&M of Suku Infrastructure

Once built, infrastructure can quickly fall into disrepair and its utility then becomes severely limited. Component three of PARTISIPA focuses on extending the lifespan of suku infrastructure and will have an early focus on O&M of PNDS built projects and suku water systems, with other sectors possible being included in the program in the years to come, such as rural roads. The focus will be restricted to infrastructure for which villages hold direct responsibility and will exclude infrastructure that rural communities have access to but are not responsible for, such as the electricity network or large-scale irrigation works.

Australian support for the roads sector is currently managed under the Roads for Development Support Program (R4D-SP), which is set to end in 2022/23. Support to the sector, and potentially municipal roads, may be incorporated into PARTISIPA in order to exploit the potential linkages – such as consolidating technical assistance to the Ministry of Public Works, improving policy and systems support and capacity building at the municipal and community level, supporting labour intensive rural infrastructure programs, enhancing gender and social inclusion approaches, and improving cross-government coordination and better linkages to GoTL’s decentralisation agenda. Like the approach for rural water, support will be provided at three levels – national, municipal and community – to implement this component. A decision will be made by DFAT in mid-2021 in consultation with GoTL, about whether to integrate roads support into PARTISIPA through a design-implement process.

The PARTISIPA Interim program (Jan 2020 – Jun 2021) is currently piloting component three approaches at both national and sub-national levels (for example, water supply system standards have been issued nationally and pilots to strengthen O&M at village level are being established). The interim program builds upon the strong history of Australia’s investments in water and sanitation in Timor-Leste. Once the full PARTISIPA program begins in July 2021, the implementing partner will need to ensure a smooth transition with minimal disruption and take on the board the lessons, activities and commitments from these pilots. The Implementing Partner will need to build out and consolidate the approaches, roll-out the Program, and construct a whole of program MEL Framework and Plan with partners.

Timor-Leste’s policies and programs for water services are currently managed by general directorates (DGAS and DNSA) within the Ministry of Public Works and use general government systems for human resource management, planning, budgeting, financial management, etc. From 2021, GoTL intends to restructure DGAS into a public utility as a state-owned enterprise – called Be’e Timor Leste - to improve efficiency and service quality. PARTISIPA’s role and approach to supporting the O&M of rural water, especially at the national level, will need to respond to this institutional and policy reform as it evolves.

## Strengthening O&M at Suku Level

At the suku level, PARTISIPA will engage with and strengthen suku level water system maintenance committees via two pathways: streamlining suku committees and strengthening these committees. PARTISIPA FSTs and advisers will work with relevant stakeholders to review and agree a consistent suku level structure (the GMF) to manage O&M of all suku water systems, including those built through PNDS, other donors, NGOs, etc. Through the process of formalising a sustainable suku water committee structure, PARTISIPA will take the opportunity to promote representation of women and people with disabilities to ensure they can identify barriers that people with disabilities face in accessing water systems (or other infrastructure) and in planning solutions to those challenges.

The PARTISIPA FSTs will build the capacity of postu teams to assess what currently exists in suku, and if needed, assisting suku to adapt or establish the necessary suku-level committees. PARTISIPA will work with MSA and DNSA (and its anticipated successor Be’e Timor-Leste) at a national level to review and revise the legal framework and guidance for this mandate and then work with staff at municipal and postu to support suku leaders in implementation

In parallel, PARTISIPA will support DNSA and SMASA to build the capacity of GMFs. Key focus areas will be ensuring consistent approaches across agencies and programs delivering suku water systems, and supporting the DNSA National Training Team to develop and implement relevant training and guidance for postu teams to build GMF capacity on a national scale, including for improving technical, management and financial skills. Working through MSA, PARTISIPA will support suku leaders to provide a link between GMFs and government resources at the postu and municipal level.

The approaches that PARTISIPA develops to improve the function of GMFs is relevant to the O&M of other government and development-funded community assets such as roads, drainage, schools and health facilities. The PARTISIPA approach will seek to empower communities to use their own expertise and resources - both financial and material - wherever possible. PARTISIPA will avoid direct funding of O&M, instead strengthening GoTL systems to prioritise and deliver resources to supplement what communities can deliver.

Once the legal basis for this work is established, PARTISIPA will work through MSA and SMASA to:

* Support postu staff to train suku leadership in processes that prioritise, plan and execute O&M of suku infrastructure. This will emphasise mobilisation of villages’ own resources but will also encourage engagement of the private sector to provide goods and services where required (for example, engineering design skills or commercial building materials).
* Ensure processes for prioritising O&M are inclusive and strengthen the commitment of village leaders to social inclusion.
* Support establishment of village-level bank accounts[[18]](#footnote-19) for management of O&M funds; train village office bearers on management of accounts, and support processes within communities to ensure the transparent use of funds.
* Explore innovative mechanisms to fund village-level O&M of basic infrastructure such as community contracting or service agreements.
* Support processes to strengthen the voice of rural communities to hold municipal administrations to account for the upkeep of basic rural infrastructure.

## Strengthening O&M at Municipal Level

PARTISIPA will support municipal administrations to develop and implement a process for responding to high-priority, small-scale water system repairs that are beyond the capacity of GMF’s to manage. This will include processes for identifying needs, strengthening coordination across sectors and stakeholders, developing prioritised annual work plans, allocating and executing budget, and potentially engaging the private sector as service providers. Strengthening PFM to enable an efficient flow of funds to priority repairs will be a high priority. PARTISIPA will support municipal administrations to advocate nationally for an O&M budget for suku water systems, and to create system to deliver the funding, document progress and promote successes. This will be paired with assistance at the national level to make sure O&M allocations are reflected in budgets. DFAT’s Water for Women (WfW) program is currently supporting two municipalities (Liquicia and Manufahi) to develop municipal WaSH plans. PARTISIPA will coordinate with WfW to determine how strategy processes and associated capacity building may be able to be rolled out across all municipalities and can be linked to PNDS suku planning and prioritisation processes, cognisant of the need to ensure that this work aligns with the new government structures established with the recent creation of Be’e Timor-Leste..

PARTISIPA will support SMASA to develop systems for postu staff to support suku water O&M committees to prioritise, design and oversee maintenance work. PARTISIPA will assist with developing guidelines, training SMASA staff, and providing ongoing mentoring in areas such as technical engineering skills, needs assessment, community mobilisation, and oversight of maintenance work. The program may help municipalities establish water user group associations, where they don’t exist, to strengthen approaches.

PARTISIPA will work with municipal counterparts to encourage better collaboration between MSA and SMASA Facilitators at postu level. This may include work with MSA and municipalities to restructure postu teams to reduce gaps and overlaps between staff skills and mandates for a more efficient and effective distribution of resources, and/or strengthening the leadership skills at postu in overseeing planning, coordination and execution of work. A critical element of this will be ensuring that postu staff have the operational budget and resources they require to fulfil their mandates.

Building on, and demonstrating, successful approaches in the water sector, over time PARTISIPA may work with municipalities to develop models for O&M of other types of infrastructure. This could include processes for identifying and prioritising needs with a range of line ministry staff; developing costed plans against annual O&M budget lines; allocating in-house or outsourced TA to design repair work; managing procurement and overseeing execution. The roving National Advisory Team will include a PFM adviser who will support municipalities and engage with MOF to establish the necessary budget requirement for O&M of water supply, and the necessary systems and processes for transparent and accountable expenditure.

Once the model/s have been developed, trialled, and refined, PARTISIPA staff will work with all municipalities to institutionalise appropriate approaches in accordance with nationally endorsed policy and guidelines. This will be integrated with PARTISIPA Component Two as an element of municipal Strategies and AWPs. PARTISIPA will:

* Support municipalities to develop guidelines, regulations, and procedures, as well as providing training for municipal staff.
* Facilitate engagement across the range of line agency staff involved in planning and execution of maintenance work who are managed at the municipality level.
* Provide PFM support for gradually increasing the annual budget allocated to and executed for O&M of rural infrastructure in line with growing capacity of municipal administrations – linked to advocacy at the national level.
* Place emphasis on building the capacity of postu officers and team culture to encourage better integration of planning and overseeing priority maintenance work.
* Analyse barriers facing postu and seek solutions in collaboration with municipalities. Issues include budget shortfalls, unfilled staff positions, and low levels of management support.

Building on the experiences of the HILC project, PARTISIPA will trial and potentially roll-out a service agreement approach (aka community contracting) to formally engage sukus in the maintenance of their infrastructure. Sukus could receive annual funding tranches through designated bank accounts to provide O&M services to an agreed standard. Work could be undertaken by communities or outsourced to the private sector. Relevant postu staff will be responsible for providing support and monitoring and verifying that O&M meets pre-agreed benchmarks. When O&M work has been verified and funds acquitted, subsequent funding tranches be transferred with some pre-payments built in. Pre-conditions for the success of such a model include:

* Engagement at all levels to ensure clear mandate and funding are provided
* Municipal governments commit to ensuring O&M funds reach suku
* Postu staff have clarity regarding their roles and responsibilities, and the resources to execute them (funds and skills).

## Strengthening O&M at the National Level

Enabling suku and sub-national governments to take a stronger role in O&M of rural infrastructure will require several changes at national level. PARTISIPA advisers will support counterparts at the national level to understand the role that suku currently play in O&M, and consider options for suku O&M oversight bodies and models of O&M that may be appropriate in the context, noting that these may differ depending on the type and scale of infrastructure. Based on this, PARTISIPA can support national counterparts to:

* Agree clear and consistent mandates for sub-national administration, postu and suku in appropriate O&M of basic services infrastructure in line with evidence of what is working well to increase efficiency and effectiveness of O&M. This includes addressing current anomalies in laws and regulations such as the inconsistencies between Suku Law, Water Law, and the PNDS Decree Law on suku O&M structures and mandates.
* Develop, test, revise and roll out guidance, standards and training for relevant counterparts at the sub-national level and in sukus so that they have the authority and skills to undertake their mandates
* Develop and implement a financing framework for rural water services and O&M
* Support devolution of suku financial authority and delegations to relevant committees, and allocate and disburse adequate levels of funding for O&M
* Adequately assess, monitor and verify that valuable investments in suku infrastructure is operational and being maintained.
* Improve management information systems to provide baseline and monitoring data on infrastructure functionality

Initially, PARTISIPA will focus on supporting DNSA and MSA national staff to work more closely to reduce inconsistencies in the way O&M of suku water systems – including those built through PNDS – is managed. It will be very important to maintain a system wide lens to this work to ensure that whatever models and approaches are trialled and endorsed could be applicable to other sectors such as roads, schools, clinics and so on. Subsequent work within MoPW may engage other directorates, particularly the National Directorate of Roads, Bridges and Flood Control for maintenance of suku roads and other relevant infrastructure. PARTISIPA should facilitate consultation and collaboration between MSA, Ministry of Health, and Ministry of Education for small-scale maintenance of schools and health facilities.

## Water, Sanitation and Hygiene (WaSH)

PARTISIPA has a strong and explicit focus of water O&M, recognising the need for water supply as a clear first step in achieving broader health and hygiene outcomes. Given the ten-year horizon for this investment, it is expected that the program will shift emphasis in later years, and as needs determine, towards other infrastructure and to encouraging better health outcomes that may be derived from access to clean water. The full benefits of having access to improved drinking water can be realised with improved sanitation and good hygiene practices.

Although not a priority of the implementation approach for PARTISIPA, particularly in the early years, the Program should encourage and support municipalities, villages and the national government to coordinate efforts to improve sanitation and hygiene – taking advantage of the improved infrastructure that PARTISIPA will help to deliver. PARTISIPA has an opportunity to influence national WaSH monitoring and support the development of more systematic and sustainable approaches to WaSH. PARTISIPA should work with the PHD program to support the national Ministry of Health, and Municipal Advisers could also play a role in strengthening coordination with both government and non-government actors at a subnational level. By facilitating a municipal focus on WaSH in later years of the program, PARTISIPA could strengthen political leadership around sanitation and achieve more sustainable and impactful outcomes.

# Cross-Cutting Themes

## Gender Equality, Disability and Social Inclusion

Gender equality, disability and social inclusion (GEDSI) will be a priority throughout the implementation of PARTISIPA and reported upon through the M&E system that will also promote learning and adaptation in order to strengthen approaches over time. PNDS has supported progress towards gender equality through the implementation of the community-driven development approach, including by promoting women’s participation in decision making and in employment at the village level. However, at the central and municipal levels of government there is less attention to issues of gender equality and disability and social inclusion both within the bureaucracies and as a policy priority. With its larger scope and reach, DFAT is well placed to support GoTL policies on these issues through the PARTISIPA program.

PARTISIPA will draw upon the lessons from implementation of PNDS SP, the PARTISIPA Interim program, and other investments such as the DFAT funded Nabilan Program, to continue and build upon a strong focus on gender equality, disability and social inclusion. The following activities are proposed for PARTISIPA.

### GEDSI Approaches and Methodologies:

* PARTISIPA, by supporting improved service delivery and community infrastructure will benefit the livelihoods and wellbeing of women and men in all sukus. Since 2013, PNDS infrastructure has benefitted slightly more women than men and this is expected to continue. This is a result of a determined and focused effort on the part of the GoTL, supported by DFAT’s investment. PARTISIPA will continue to support PNDS to ensure women are actively engaged, on equal footing, in community decision making on infrastructure priorities for their communities. The program is working towards a 40 per cent target for socialization and decision making processes and has in place structures for women-only meetings for priority settings. To date around a quarter of infrastructure built was selected from women-only priorities.
* PARTISIPA will support PNDS to replicate these successful inclusion methodologies for people with a disability, for example through dedicated reference groups for infrastructure decision making and construction, and using quota systems and structures for representation of people with disabilities on Community Management Teams for PNDS. The SOPs and new GEDSI guidelines will provide practical guidance to support implementation.
* With PARTISIPA’s support, PNDS previously piloted an Economic Return Program which built on the initial economic investment of infrastructure to expand impact such as providing grants to communities to build fish farms using improved irrigation schemes. PARTISIPA should support GoTL to revisit this approach with a specific focus on GEDSI, to build economic opportunities.
* To date, PNDS has not achieved its target for female labour participation (30%), despite some adaptations to work (such as task-based inputs). PARTISIPA will conduct research to understand better the constraints and barriers that prevent women, people with disabilities and other marginalised groups from participating in employment opportunities. This should include research on shifting economic and power dynamics, including the possibility of backlash and enhanced risk of violence within households. .
* Current PNDS training includes two modules (out of 12) on women’s empowerment and gender equality. PARTISIPA will add modules on inclusion of people with a disability and other marginalised groups. Women’s rights organisations and Disabled People’s Organisations should be engaged to contribute substance to such training and potentially provide the training. It will ensure equal access to training opportunities to equip women and people with disabilities for work. This may include training in financial management, technical construction, facilitation and communication, M&E and public speaking.
* PARTISIPA will support government partners (PNDS, MoPW, municipal administrations) to achieve national gender equality objectives set out in the Maubisse declaration, Strategic Development Plan and Government programs, and to implement the National Disability Action Plan (2020), as well as inclusion objectives established in the draft Disability National Action Plan
* PARTISIPA will support cross-suku visits to showcase good practice approaches and problem solving. PARTISIPA will use public diplomacy and communications to promote women’s leadership, including through social media, case studies and radio talk shows.
* The program will support GoTL and civil society groups to conduct a GEDSI audit of the budget and/or specific ministries throughout the life of the Program. PARTISIPA will support the collection and analysis of GEDSI disaggregated data for GoTL programs such as PNDS. PARTISIPA will support social audit functions, either technically or financially, including of PNDS.

### Mainstreaming GEDSI within PARTISIPA:

* The PARTISIPA team will model good practice by appointing both women and men to program teams, including at senior levels. PARTISIPA should expand this to ensure gender balance at all levels of the program and on management committees, and promote recruitment of people with disabilities
* PARTISIPA will look at how it supports its teams, particularly the Field Support Teams to build their gender expertise and personal commitments and to manage their family, care and reproductive responsibilities. PARTISIPA will ensure position descriptions include responsibility for addressing gender issues, that there are budget allocations for activities to promote gender equality.
* PARTISIPA will have a GEDSI specialist in a senior management position, at an equivalent level to Deputy Team Leaders and reporting directly to the Team Leader. The seniority of the position clearly signals the importance of this area of work. In addition, a GEDSI adviser will be placed with each of the municipalities as the program rolls out. This recognises that addressing GEDSI issues will be a non-optional part of the agreement between PARTISIPA and the municipality, and any activities selected will need the support of a specialist adviser who understands the issues and how to address them. Municipal Strategies and Annual Work Plans will include dedicated targets and activities that promote GEDSI both within the administration of government, and as outcomes from activities. They will also coordinate with recently established Municipal Women’s Associations in municipal planning. Rede Feto and FONGTIL networks maybe engaged in M&E, consultations for municipal planning and priority setting.
* PARTISIPA may find it challenging to recruit GEDSI advisers for each municipality, therefore the PARTISIPA Implementing Partner will need to provide high-quality and intensive training to the municipal GEDSI advisers early in their recruitment, and professional development on an ongoing basis. DPOs and women’s groups should be involved in the training and could provide ongoing monitoring and mentoring.

Through the above approaches, PARTISIPA will support, at all levels, shifts in social norms around the roles and capabilities of women and men, people with disabilities and other marginalised groups. The structured engagement of women and people with disabilities in villages through PNDS and other Program will increase their voice and visibility and normalize their role in decision making at the village level. Similarly, at the municipal level, women and people with disabilities will become more visible, have more voice, and monitor municipal actions through social accountability measures.

A GEDSI Strategy will be developed by the Implementing Partner during inception and more thoroughly articulate how changes to social norms will be achieved and monitored through the Program. The Strategy will take account of these and other lessons and initiatives to ensure a robust and sustained commitment to GEDSI throughout the life of the program.

## Climate Change and Disaster Resilience

PARTISIPA's assistance to PNDS program is helping communities in Timor-Leste to increase the baseline of critical local infrastructure. While the program is not yet systematically addressing climate and disaster risks in decision-making processes and implementation, increasing local access to essential social and economic infrastructure (like WASH facilities, flood control projects and linking roads) is helping to build broad resilience. PNDS project manuals and management standards ensure design and construction meet basic safeguards such as erosion control and safe water management.

 DFAT's 2019 Climate Change Stocktake for Timor-Leste recommended that PARTISIPA in its support to PNDS:

* + increase access to climate information within the project to help ensure decisions are climate informed, and
	+ increase understanding of climate change implications for community infrastructure and integration of resilience measures.

These recommendations will be actioned by the PARTISIPA program.

PARTISIPA will work collaboratively with the new USD22 million Green Climate Fund (GCF) investment that has brings opportunities for village level infrastructure to be better informed by climate change and disaster resilience. The program commenced in 2020 and seeks to achieve the following:

* 1. revise standards, guidelines and specifications for rural infrastructure to respond to climate risk reduction requirements including PNDS program manuals and the National Water Supply Policy. The program with introduce new screening methods and climate measures across PNDS budget, planning, construction and decision-making and maintenance. Training will be rolled out to PNDS facilitators.
	2. implement climate-proofing measures for 130 small-scale infrastructure projects, including PNDS and water projects. The key interventions include revegetation of land around rural water supply systems, formalization existing and new rural irrigation systems, rehabilitation of rural bridges, slope stabilization of rural road corridors and installation of climate resilient rural flood defences.

The program will also develop and deliver climate risk information services and vulnerability mapping to government institutions.

Beyond the GCF project, PARTISIPA will need to structure-in and systematise processes that enable it to see and understand issues and exploit opportunities for enhancing climate action in Timor Leste. It is through systematic processes such as reviews, investigations, thematic joint monitoring etc, that climate change issues will be kept on the radar and opportunities for action will be taken. For example, PARTISIPA could undertake a program exploration of climate action opportunities in areas of carbon farming, revegetation, and renewables innovation every two or three years. This can be funded through the M&E budget and conducted jointly with GoTL and specialist technical inputs.

## Private Sector Engagement

While the focus of the PARTISIPA program is on governance reform, and the private sector in Timor-Leste remains quite limited, it will remain important to engage with and draw on the private sector wherever possible. This includes encouraging private sector engagement through program activities i.e. facilitating and supporting GoTL to draw on private sector providers for goods and services, for example, training, qualified technicians and equipment for construction related to PNDS and for O&M of suku water systems, and to service administrative requirements such as municipal and postu IT support, vehicle hire and office maintenance, etc. It also includes supporting improved and more transparent procurement and contracting arrangements, a critical prerequisite for business confidence in the country.

PARTISIPA’s interaction with the private sector will predominantly be centred on micro enterprises at village level, and potentially the construction industry at municipal level. There are significant challenges in working with municipal administrations to strengthen the construction industry. In order to assist municipalities to address these challenges, PARTISIPA has included support to strengthen systems and processes related to construction funding and oversight in the municipal menu of options (see annex 6). This approach enables municipalities to opt-in to such approaches, providing reassurance that there is genuine political will to improve and strengthen the industry. In addition to strengthening the municipal approach, work in this area could include training for the construction industry. DFAT’s current Roads for Development Support Program focuses on building the capacity of roads contractors to ensure the equality of maintenance on rural roads to address weak capacity to design and deliver quality infrastructure. PARTISIPA may adopt similar approaches to build capacity of private sector on technical water issues.

PARTISIPA should consider conducting a market analysis of supply chains relevant to PNDS and other village infrastructure. This will assist the GoTL at national and sub-national levels to identify key constraints and challenges, and recommendations will inform policy solutions.

The operational backbone of PARTISIPA will also draw as much as possible on private sector providers for goods and services such as training and workshops, vehicle maintenance, accommodation, catering, IT and other services and equipment. Outsourcing wherever possible should be the preferred model of acquiring goods and services, noting that the team may experience varying quality of goods and services at least early on as relationships with trusted suppliers are being established.

## Innovation

There are several innovative approaches that proved highly successful under DFAT’s investments and therefore have been built into PARTISIPA. These include:

* Maintaining an extensive roving team of advisory support through the FST, and increasingly through the placement of TA in MSA to support sub-national strengthening. This will maintain a line of sight from what is happening at the community and municipal level (via the Municipal Adviser) and how this is impacted by and informs improvements to national level policies, systems, processes and practices. This allows for an iterative-adaptive way of working and supports evidence-based action-to-policy outcomes. Making teams work across more than one location forces a focus on systemic reform rather than the development of a singular fix for a singular problem.
* The extensive nationalisation of advisory roles under PNDS-SP and the current PARTISIPA program means that almost all senior advisers in the PARTISIPA team are Timorese. This is quite an achievement when compared to similar programs in similar development contexts. It is the result of prioritising contextual relevance - including politically informed and fit-for-purpose solutions - over more easily recognisable international standard outcomes. This has required high levels of trust from DFAT, the MC and program leadership in the good intentions and operational savvy of Timorese advisers. This requires the ability to allow short fallings in some areas, knowing that small investments in things like translating sometimes lengthy verbal updates into concise, well written analysis provides strong returns in the form of are contextually appropriate, politically informed, fit-for purpose and sustainable program outcomes.
* PNDS-SP and the current PARTISIPA program have had considerable success to supporting the GoTL to design, pilot, and roll out the PNDS program to every suku in the country in a short amount of time. The reform to GoTL systems that has resulted from the program is the result of a deliberate focus of the investment on local capacity to deliver outcomes rather than the delivery of PNDS outcomes. Immediate and intermediate outcomes targeted the ability of GoTL counterparts to deliver PNDS, with the overall goal being the number of quality and reliable pieces of suku infrastructure built through PNDS. PARTISIPA is about the ability of GoTL to deliver PNDS, municipal administration, and O&M of suku water systems and will need to maintain a steadfast focus on how counterparts are improving their performance.
* Setting ambitious targets for gender and social inclusion, backing with resources and high-level support and working systematically across all areas of the investment to achieve outcomes paid off under PNDS-SP and continue under PARTISIPA. This has led to innovative outcomes as all teams are incentivised to explore numerous options and methods for achieving targets.

The innovative ways of working outlined above embed in PARTISIPA a flexible and adaptive enabling approach in which teams and counterparts are well supported to innovate. PARTISIPA, and PNDS-SP before it engaged savvy Timorese personnel with a clear line of sight and capacity to intervene at numerous points up and down the chain of delivery from suku to national level, and performance managed them based not on what they achieve but on what their counterparts achieve. This means that PARTISIPA has built into it systems and processes that maximise the chances of innovation across the program.

1. Implementation Arrangements

# Implementing partners

PARTISIPA will be implemented in accordance with the Australian Government’s *Partnerships for Recovery 2020-2022* and performance framework and subsequent aid program strategies. The multi-component program delivery approach has been designed to improve the efficiency and results-focus of Australian support in Timor-Leste by bringing together key elements and successful approaches of PNDS-SP, various rural water supply investments, and emerging priorities to support the success of decentralisation and economic recovery.

Given the complexity of the program and the need to work closely with government across numerous levels and agencies, the program will be delivered by a Managing Contractor. This will enable DFAT to set the strategic agenda and lead on engagement with GoTL thus achieving the goals of enhanced and enduring relationships between Australia and Timor-Leste. DFAT will allocate 0.7 FTE A-based and 0.7 FTE LES to manage the program and contract, with significant oversight and support of the Counsellor for Human Development. From 2021, a Performance and Quality Adviser will be embedded in the Embassy and will work across the development program, including with PARTISIPA to strengthen performance and quality. DFAT may also introduce regular independent assessment of the program through a ‘critical friend(s)’ approach and commission independent evaluations for PARTISIPA specifically and as part of portfolio wide reviews.

Implementation of the program will be delivered through a Managing Contractor engaged by the Australian Government for an initial five-year period with a potential five-year extension. The MC will provide the full range of technical skills required by the design and put in place logistical and operational support for program implementation. The MC needs to ensure it has access to national specialised expertise in key areas outlined in the design, and expertise to facilitate learning. Attention must be paid to the principles and ways of working set out in this Investment Design Document.

As the leading development partner to Timor-Leste by a large margin, there are a lack of development resourcing pooling opportunities for Australia and this investment. There may be opportunities for the program to leverage ad-hoc external resources, by providing advisory support so that GoTL can leverage and absorb additional PNDS grant funding by other development partners, as was the case for PNDS grants funded by New Zealand aid program in 2019.

## Responsibilities of the MC

### Strategy and Direction setting

* Support the development and implementation of DFAT’s high-level program strategy, operationalising DFAT directives and providing DFAT with the evidence base to inform decision making.
* Support effective engagement and consultation between DFAT and GoTL, including monitoring and reporting on government policy changes and associated risks and opportunities.
* Support an inception processes with GoTL to validate the Theory of Change and implementation approaches, and annual planning and MEL cycles.
* Development and implementation of costed six-monthly plans and associated activities. This may include supporting Direct Budget Support initiatives such as ‘On Budget’ or ‘On Treasury’ financing for PNDS grants.
* Possible design-implement process for integration of Australian support for roads rehabilitation and maintenance.
* High-quality, concise and relevant routine and ad hoc reporting to DFAT.
* Development of a high-quality communications and media strategy and provision of regular social media content highlighting successes to DFAT for use on the Embassy’s public diplomacy platforms.
* Support and encourage continuous improvement of because of the inception workshop, ongoing consultation, evidence, context changes, and learning events.
* Risk management.

### Monitoring, evaluation and learning

* Oversight of reviews and updates of the MEL Framework, plan and toolkit.
* Implementation of a quality annual learning, reflection, and adaptation cycle.
* Procurement of independent assessments, evaluations and studies as required.
* Oversight of upgrades and maintenance of the program data recording and information management systems.

### Operations and Personnel

* Development and ongoing management of standard operating procedures.
* Financial management including budgeting, expenditure, reconciliation, acquittals, and reporting, in keeping with DFAT expectations.
* Operational management of PARTISIPA through administrative personnel and corporate activities (financial, human resource, procurement, utilities, logistics, etc.)
* Recruitment and mobilisation of PARTISIPA personnel (including national and international long-term and short-term TA).
* Human resources management and support, ensuring alignment with best practice, and applicable Australian and/or Timor-Leste laws.
* Security of personnel and property.
* Compliance with DFAT safeguards.
* Compliance with relevant Timor-Leste, DFAT and Australian Government laws and policies including for child protection, Preventing Sexual Exploitation, Abuse and Harassment, environment, etc.
* Management of the risk register.

## Responsibilities of DFAT

* Strategic direction setting for this Australian aid investment.
* Lead on strategic engagement with relevant GoTL counterparts to ensure outcomes of relevance to GoTL and in Australia’s national interest.
* Management of the PARTISIPA contract in ways that support achievement of outcomes.
* Reporting to senior levels of DFAT and the Australian Government.
* Supporting program implementation in keeping with value for money principles.
* Support to the PARTISIPA senior management team to ensure smooth implementation and critical feedback loops.
* Donor liaison and harmonisation across the Australian aid portfolio.
* Monitoring of program performance, including regular field visits.
* Monitoring of compliance with safeguards and policies.

## Partnership Arrangements

A formal Partnership Agreement will be established between DFAT and the Managing Contractor, with annual health checks to assess the effectiveness of the partnership. DFAT and the PARTISIPA Senior Management Team and the Contractor Representative will formalise their ways of working together through a partnership brokering workshop and the Agreement. The initial partnership brokering workshop will be held in the PARTISIPA inception phase. The approach is designed to ensure that the two key parties to the contract are working together in a harmonised way that promotes more effective outcomes for the program.

Partnership Brokering will facilitate the realisation of:

* A clear understanding between the partners of the word ‘partnership’.
* Agreement to a shared vision and common purpose.
* Commitment to clear and agreed principled ways of working including for leadership, decision-making and communication responsibilities, protocols and accountabilities.
* Attention to the partnering process as well as the partnership’s program.

Nothing in the Partnership Agreement replaces or undermines the Head Contract between DFAT and the MC, rather it builds upon the contract to ensure positive relationships and ways of working.

## Key GoTL Stakeholders

* MSA – the PNDS Secretariat, Decentralisation directorates, Suku directorates, Municipal Presidents and administration, and postu based teams.
* MoPW - DNSA for O&M of suku water systems, but other directorates for basic infrastructure construction standards and related issues, noting this may become a state-owned enterprise during the life of the program
* Ministry of Finance – budgeting and PFM of all elements of the program, in particular, ensuring sufficient budget for PNDS, sub-national administration, and O&M of basic services infrastructure, plus all of the systems, processes, guidance and training to oversee the planning, allocation, disbursement, acquittal and auditing of these funds.
* Office of the Prime Minister for strategic policy setting, advocacy and lobbying for policy reform.

The roles and responsibilities of each of these partners is tailored to their mandates and the extent of support that PARTISIPA can/should provide.

## Governance and Oversight

These governance arrangements have been designed to be fit-for-purpose in the Timor-Leste context. Key factors that have influenced the design of these governance arrangements include:

* PARTISIPA is a multi-component program with engagement at multiple levels. It is important that the engagement with GoTL at national level, and engagement with municipalities, are empowering and introduce a degree of joint design and mutual responsibilities for implementation at each level. Decisions made at municipal level that are within the scope and mandate of the Program should not be subject to political changes at national level.
* DFAT officers in Timor-Leste have strong relationships with their government counterparts, are closely engaged with their flagship investments, diligently monitor and manage risks across the portfolio and broker engagement with other DFAT investments. However, previous attempts at introducing formal Steering Committee arrangements for DFAT funded programs have proved unsuccessful. This may change as leadership and entry points change over the life of the program, and PARTISIPA will remain open to expanding formal mechanisms for coordination and decision making, where appropriate.

The governance arrangements for PARTISIPA are tailored to the outcome areas and components, with overall decision-making across the program resting with DFAT.

PARTISIPA will develop a 3-year Guiding Strategy document that draws content from this design document, including governance, theory of change, implementing approaches, principles and any other key aspects determined useful. The Guiding Strategy is intended as a public document for a broad audience of stakeholders including the GoTL, DFAT Post and Canberra and CSOs and implementing partners in Timor Leste. The Guiding Strategy will be developed during the PARTISIPA Inception Phase, endorsed by all relevant parties and approved by DFAT and MSA. The Guiding Strategy will guide Annual Work Plans for each component. Key stakeholders will endorse the component Annual Work Plans, and these will be submitted to DFAT for approval.

Component Annual Work Plans will be developed as follows:

* Adherence to the PARTISIPA Five Year Strategy and overall Theory of Change.
* Consultations and reflection workshops with relevant GoTL stakeholders (e.g. Component One - PNDS Secretariat; Component Two - Municipal Presidents; Component Three - DNSA and SMASA) to ensure relevance; as well as with other DFAT investments such as GfD to ensure effectiveness
* Review of Component activity progress with a focus on strengths and weaknesses that need to be addressed and agree priorities for the forward year to ensure effectiveness and efficiency.
* Review key counterpart capacity development outcomes to ensure sustainability and agree where investments may shift to ensure efficiency.
* Review and make recommendations for strengthening engagement between the key stakeholders.
* Review and make recommendations for strengthening gender and social inclusion as well as climate change and disaster resilience.
* Review and update Risk register.

A six-monthly steering committee will be held between Ambassador and Ministerial counterparts, the purpose of which is to approve annual work plans and to provide program implementation updates.

DFAT will also support GoTL’s own governance mechanisms, including inter-ministerial steering committees and municipal level sector coordination. A priority will be encouraging civil society involvement in meetings and decisions.

## Policy Dialogue Priorities

Policy dialogue will be undertaken with key GoTL counterparts across agencies and at different levels of government and administration. At the central level, policy dialogue will focus on:

* Extending the PNDS Decree Law and strengthening reliability of budget allocation for PNDS
* Strategies and policies for local development and village infrastructure
* Assessing the relevance and effectiveness of PNDS in urban suku
* Clarity regarding the laws, regulations, processes, and substance of decentralisation
* Clarity regarding mandates for municipalities and postu
* Clarifying mandates and suku structures for O&M of suku infrastructure
* Freeing up financial flows for O&M of suku infrastructure

At the municipal level, policy dialogue will focus on:

* Policy dialogue and advocacy between municipal Presidents and national agencies
* Collaboration with other municipalities and line agencies
* Implementing social accountability mechanisms
* Freeing up financial flows for O&M at suku water systems
* Service level agreements / community contracting models
* Improving finance, procurement, and contract management

See Annex 9: Policy Dialogue Matrix for more detail.

## Profile and Public Diplomacy

Like PNDS-SP and the current PARTISIPA program, PARTISIPA 2021-31 will be a highly visible and substantial contribution to Timor-Leste’s development. Profiling of PARTISIPA enhances the visibility of Australia’s development cooperation in Australia and overseas. One of the goals of PARTISIPA is: *Australia has deep and enduring relationships across Timor-Leste.* To achieve this goal, whilst also support stability and prosperity in Timor-Leste, a nuanced public diplomacy and communications approach will be required:

* Public diplomacy will promote the value of PARTISIPA to Australian audiences, including to government, parliament, and the public.
* In Timor-Leste, public diplomacy will be targeted to key GoTL stakeholders and support Australia’s diplomatic relationships with the GoTL.

Through PARTISIPA’s public diplomacy and communications efforts, the Australian Government will demonstrate and effectively communicate how its aid investments contribute to increasing recovery, prosperity, and stability in Timor-Leste and the region. Efforts will be made to profile PARTISIPA to Australian audiences using a variety of mediums and methods including social and traditional media, articles and think pieces, and engaging with key influencers and groups in Australia.

PARTISIPA supports government-to-government diplomacy through the positive impression of Australia that the program generates amongst GoTL officials. The program team and DFAT will need to draw GoTL attention to the contribution and impact of PARTISIPA, making it more visible and tangible. The PARTISIPA team will support the bilateral relationship by ensuring that the Australian Government is credited and/or acknowledged as a key donor to GoTL audiences, organising events and dialogues, and by furnishing Australian Government and GoTL officials with information regarding the program on a frequent basis. The PARTISIPA team will support DFAT’s efforts by preparing communications materials, briefing notes, stories of change and case studies, social media materials, and by contributing to regional and global development dialogues.

The MC will be responsible for the development and implementation of a comprehensive public diplomacy and communications strategy. The strategy will outline public diplomacy and communication goals and provide a detailed plan for how these goals will be achieved. The MC will be required to work in close collaboration with DFAT to develop the strategy and support delivery through the provision of operational, logistics, and event management support, and actively identifying new opportunities and innovative approaches to achieving public diplomacy outcomes.

Branding of the program will be a key consideration. Branding and its utilisation will be targeted and selective; mindful of the important function of PARTISIPA in supporting stronger government – citizen relationships. PARTISIPA works to facilitate GoTL efforts in a “behind the scenes” manner. Branding should not undermine this outcome and therefore it will be utilised strategically in support of the government to government bilateral relationship. In publicly promoting the program, it will be important that service delivery and infrastructure improvements are credited to government.

## Sustainability

PARTISIPA supports the GoTL to deliver its own reform and service delivery agenda. This Investment Design Document has emphasised the importance of the role of PARTISIPA to support, facilitate and catalyse sustainable change. The Theory of Change and Ways of Working draw attention to the need for systemic change that is owned by Timorese and embedded in GoTL systems. The key target areas of PNDS, sub-national administration, and O&M of suku water systems are all GoTL led and resourced. As such, and in line with Australia’s commitments under the New Deal, PARTISIPA is contributing to a program that works through government systems and strengthens those systems.

Key design features of PARTISIPA that reinforce sustainability include:

* PARTISIPA supports GoTL delivery of its own programs and services with affordability and scalability key design features.
* Focus on capacity development of counterparts at the immediate and intermediate outcome level and their ability to deliver investment EOIOs.
* The Opt-In approach to sub-national administration support, and the development of joint strategies and workplans, ensures municipalities have a stake in the success of the investments.
* Governance of PARTISIPA is diffused across GoTL stakeholders which ensures broad-based ownership.
* A focus on O&M of suku water systems will increase the sustainability of previous infrastructure investments.
* Trialling community-based contracting and service agreements between government agencies and levels is a model that can readily and affordably be scaled.
* Taking a gender transformative approach will shift norms, attitudes and behaviours around women’s roles and participation which will create longer term opportunities and impacts.

PARTISIPA focuses on supporting the machinery of government to work better, with a clear line of sight from national through to sub-national and village levels, and a focus on tangible services and programs. The program does not try to do everything, instead it hones on some key things that are achievable for GoTL. In so doing, with PARTISIPA support, the GoTL can experience successes in these areas which in turn builds momentum for further reform. The PNDS-SP was instrumental in helping GoTL to deliver PNDS successfully, which made it a popular program with citizens and bureaucrats, which has helped to sustain PNDS overtime. This PARTISIPA design draws upon this experience and seeks to replicate it in other areas of GoTL service delivery.

1. Budget, Staffing and Rollout

## Program Roll Out

The MC will inherit a significant team and suite of activities and will need to continue to support these in the six-month inception period, while undertaking other establishment activities. New activities and areas of support will need to be introduced, and existing ones adapted, scaled-up or scaled back in accordance with this design, emerging policy priorities, evolving needs, and increased local capacity to manage independently. See Annex 8: PARTISIPA Staffing Profile for more details.

The transition from PNDS-SP to PARTISIPA full implementation is as follows:



Figure 3: From PNDS-SP to PARTISIPA

Throughout PNDS-SP the range of advisers operating at the national level were focussed on support to the PNDS program, and therefore were most prominent in the PNDS Secretariat. There was additional support at the village level through roving Field Support Teams.

During the PARTISIPA transition period, the program has piloted several initiatives under Component two and Components three and therefore the staffing profile has changed. For example, there have been four pilot municipalities and in these locations the program has:

* A Field Support Team attached to each municipality (rather than roving between municipalities).
* An additional specialist in O&M of suku water systems for each FST.
* FSTs have taken on additional functions and are working across all three components.
* A municipal adviser has been placed in each municipal pilot location and is working with the Municipal President.
* Pilot O&M activities are taking place in the pilot municipalities.

PARTISIPA Transition has also started to work in other national GoTL functions and ministries, including the MoPW, with advisory support on O&M. Additional advisor support has been placed in the Ministry of State Administration in the areas of Public Financial Management, decentralisation, and planning and coordination.

Once the new MC is in place, there will be a six-month inception period that enables the establishment of the full suite of operations and support services required by the program. The MC will need to ensure all policies are in place, establish accountability and reporting lines, participate in partnership brokering with DFAT, build relationships with GoTL and municipalities, and develop the first suite of Strategies and AWPs (as previously described). Given the high demands on the inception phase, PARTISIPA will not be rolled out to other municipalities until 2022. In year 2022, the program will be rolled out to a total of nine municipalities, and in 2023 it will be rolled out across all 13 municipalities. The budget reflects this roll out approach.

## Staffing

The staffing arrangements for PARTISIPA reflect lessons from PNDS-SP and the current PARTISIPA program, including a focus on utilising and nurturing Timorese leadership in the program. During the inception phase, and throughout the life of the Program, DFAT and the MC may need to shift some positions and update the staffing arrangements in order to be responsive to the changing context and the evolution of the Program. DFAT in Timor-Leste may also develop a banded salary scale for all locally engaged staff across Australian aid investments which the program will need to adopt.

The following summarises the staffing arrangements.

Management and operations staffing includes the following:

A Team Leader (international)

Two x Deputy Team Leaders (national)

Operations Manager (international)

Finance and HR Manager (international)

Administration and Office staff (various)

Shared services staffing includes the following:

MEL Manager (international)

Prime Minister’s Office adviser (international)

GEDSI Specialist (national)

GoTL ministry / secretariat advisers including supporting MSA, PNDS Secretariat, MoPW, PMO

Roving National Advisory Team (varying levels and expertise)

Municipality strengthening and village teams include (for each municipality):

Municipal President Adviser

Municipal GEDSI Adviser

Field Support Teams (comprising a specialist from each of the four sectoral areas).

The budget includes unallocated STAs to provide for strategic opportunities and responsiveness to GoTL. There may also be a need to bring in specialist advice in areas such as climate change if key program staff do not have expertise and skills in this area.

The staffing arrangements of PARTISIPA have been designed to ensure consistent advice, policy reform, implementation and approaches are applied from national to sub-national levels and across municipalities. The arrangement will further ensure that problems on the ground are fed back to the national level, and that solutions at national level are understood and applied on the ground. This direct line of sight from the national to the frontline and back up the chain of delivery has been a major strength of the program to date and will be retained under the expanded scope of PARTISIPA.

To strengthen cross learning and a systems-based approach, Municipal Advisers from one location may be deployed to other areas to support the implementation of successful reforms. The FST may also be called in to assist in extending the reach of positive outcomes. Working cross-location will force advisers to focus on reforms to systems rather than developing reactive and bespoke fixes for a particular issue in one location. This will be particularly important for Municipal Advisers working solely to their counterpart Municipal President and falling into the trap of reacting to and becoming bogged down in the everyday operational needs of their counterpart. As such, it may be prudent to consider having Municipal Advisers rotated (as well as Field Support Teams) at some stage during the life of the program.

For Component Three (O&M of suku infrastructure) the transition of Australian support in the water sector from PHD to PARTISIPA in 2019 has seen the mobilisation of TA at the national level in MoPW, as well as the addition of a Water Facilitator in each FST in pilot municipalities.

There will be a range of pilot activities under PARTISIPA, and successes will need to be embedded in local systems and rolled out nationally. Social marketing strategies could be utilised whereby successful municipal level pilots (e.g. community contracting) would be actively marketed to other municipalities with PARTISIPA offering a level of support to at the outset where there is demand and traction. This means that PARTISIPA can offer other municipalities some support for specific initiatives without necessarily offering the entire suite of support, which may not be affordable within the PARTISIPA budget envelope.

The PNDS-SP and current PARTISIPA program implemented an ongoing process of nationalisation of advisory roles, and gradual withdrawal of TA from the PNDS Secretariat as local capacity developed and the need for TA was reduced. This was a deliberate process, with TA routinely reporting on progress in counterpart performance rather than PNDS activity outcomes. The outcome of this investment is improved local capacity to independently execute their mandate. This practice will continue across all three components of PARTISIPA and it is expected that resources will continue to shift over time. For example, as PNDS Secretariat capacity continues to improve, more resources could be mobilised to support increasing numbers of Municipalities and / or functions of sub-national administration, and O&M of suku water systems and other basic infrastructure.

## Budget

The PARTISIPA budget has been developed for five years at a cost of AUD40 million, subject to annual Australian parliamentary appropriations and excluding any integration of support for roads rehabilitation and maintenance. The budget for the following five years of the PARTISIPA program will be developed in the year leading up to Phase II. This section provides a summary of the budget and some features. Notable in the budget are the following features:

* The program budget is generally evenly split across the five years, noting that the later years will see greater program reach, but the earlier years have greater upfront expenses.
* Shared services include the roving team of national advisers that will provide support to municipalities, the GoTL ministry / secretariat adviser group (i.e. with MoPW, MoF etc) and the Evidence and Learning team. Shared Services represent is approximately 30 per cent of the budget.
* The municipal and village budget is 25 per cent of the overall budget, increasing each year from 16 per cent in the first year, as the municipal support rolls out nationally. Municipal and village level activities also benefit from the shared services budget.
* The Learning and Evidence Team and Activities sits within the shared services budget and accounts for approximately 8 per cent of the total budget envelope.

The program budget includes funds for reasonable accommodation to support inclusion of people with disabilities, in keeping with DFAT’s commitment in the Development for All Strategy 2015-20

1. Monitoring, Evaluation and Learning

PARTISIPA outcomes are focused on systemic changes, particularly within the GoTL, and recognise that outcomes require changes to individuals (skills, knowledge, behaviours, etc.) and to organisational systems, processes, and incentives. The design recognises that systemic change requires a multi-faceted approach that includes changes on many fronts, including changes across government and administration (horizontal) and at all levels (vertical) from suku to national level. While success needs to be measured across these fronts, the MEL process recognises that approaches may differ from one context to the next (for example, from one municipality to the next). The approach to MEL outlined here takes account of these complexities.

The purpose of the MEL framework is to underpin:

1. ***Accountability***: ensure PARTISIPA is accountable to the Australian public, DFAT and GoTL, specifically reporting against progress and outcomes and on how the funding was invested and what is being achieved.
2. ***Program performance***: provide a robust assessment of progress for those managing and delivering the program as well as external stakeholders.
3. ***Inform PARTISIPA decision-making, learning and continuous improvement***: provide an evidence base to track progress, test the assumptions upon which PARTISIPA has been developed, and inform adaption and improve design and delivery of the investments.
4. ***Support GoTL accountability and decision making at national and municipal levels:*** the MEL will support GoTL to improve program delivery and meet their own reporting requirements, and MEL activities will seek to strengthen the GoTL MEL architecture.

The MEL framework (see Annex 3) will guide the MEL activities for PARTISIPA and will respond to the information needs of DFAT and GoTL. In addition, it will contribute to the regional and global body of evidence regarding such topics as community-driven development, decentralisation, and catalysing reform. The MEL Framework details the indicators for each level of the program logic. The final MEL Framework (to be revised and updated by the implementing partner during inception), will link Key Evaluation Questions, sub-questions and the indicators to the program logic framework.

## Principles

The following principles inform the way in which the MEL activities should be planned and delivered:

**Gender and disability sensitive**: data will be collected, analysed, and reported disaggregated by sex and disabilities; key monitoring and evaluation activities will engage representatives from women’s groups and people with disabilities organisations, not just as subjects but in design, collection, analysis, interpretation and validation. This means recognizing power dynamics, enabling participation of women and persons with disabilities, and ensuring that women and persons with disabilities are not adversely affected by taking part in the MEL activities.

**Adaptable and flexible**: to manage for current funding insecurity and the need to work politically and opportunistically that gives rise to new and emergent directions and to cater for innovation.

**Practical and user friendly:** MEL activities and tools will be developed in ways that are readily understood and implemented by people engaging with the program who do not have a background in M&E, and outputs will include materials that are similarly accessible to a wide audience, in addition to regular reporting.

**Learning focused**: ensuring that M&E contributes to broad-based learning both within PARTISIPA and with key partners and stakeholders.

The Table below outlines how PARTISIPA Ways of Working will guide MEL.

Table : Application of ways of working in MEL

|  |  |
| --- | --- |
| Principle | Application in MEL |
| Be relevant | * MEL will involve ongoing assessment of the appropriateness or relevance of PARTISIPA implementation arrangements, systems and processes and their ability to achieve planned outcomes.
 |
| Plan for long term change | * All MEL activities will be planned and executed in ways that support the government (at national and municipal levels) to strengthen their own systems for MEL and use of evidence in decision making.
 |
| Build partnerships | * The M&E system will require contribution and support from partners and counterparts. It will seek to leverage partnerships to support data collection and analysis. MEL will also examine the strength and quality of partnerships.
 |
| Encourage evidence=based decision making | * MEL will generate evidence of what is working, what needs to change and program achievements. This evidence-based approach will inform ongoing improvement and implementation of PARTISIPA.
 |
| Promote gender equality, disability and social inclusion | * MEL will ensure that the impact of investments on gender equality, disability and social inclusion of marginalised groups are considered and guide program plans, investments and improvement. The M&E system will actively create opportunities for the perspective of marginalised groups to be communicated directly to both internal and external decision makers and to have their skills developed through engagement in M&E processes. .
 |
| Be community centred | * MEL must recognise that the ultimate outcomes are about achieving positive change for all citizens. Their experiences of change (positive and negative) are essential to monitoring and assessing progress of the program. As such their role should be not only as informants but key interpreters of information they provide.
 |
| Use iterative and adaptive practice | * A core objective of MEL is to support the process of iterative adaptation that involves testing ideas, collecting and analysing information on their implementation and effect of and adapting activities and approaches based on learnings.
 |

## Management of information

PARTISIPA will require a Management Information System (MIS) to collect and collate data from across all components; particularly components two and three. The GoTL has an MIS that collects data relevant for PNDS, managed by the PNDS Secretariat. The PNDS-SP has not required its own MIS because it has relied upon (and supported) the PNDS MIS for data. However, the PARTISIPA program incorporates new elements and therefore may require an MIS capable of capturing data regarding municipal strengthening and O&M of water supply infrastructure (and more village level infrastructure into the future) as well as municipal and postu level capacity strengthening. Careful consideration will be given to whether to invest in such a system, and whether a bespoke or off the shelf solution provides the best value for money.

Over the life of the PARTISIPA program, there may be opportunity to help GoTL (particularly at the national and at municipal level or in relation to water services) to adopt an MIS for their needs that would also serve the data needs of PARTISIPA – however this may not be realistic and/or affordable for either the program or the GoTL in the coming years.

Data entering (including of reports, statistics, capacity scores, stories of change, etc) will be managed centrally but allow for implementation in a decentralised manner: ensuring municipal and field staff are well trained for the task. The information will be checked and validated by national level MIS officers with oversight provided by the PARTISIPA MEL Manager.

### Consistent Indicators and Data Collection Methods

The ability to consolidate data is critical for data diagnostics and analytics. With regards to Component 1, the PNDS has already put in place consistent indicators and collection methods that apply to the entire country. PARTISIPA’s M&E team will need to work closely with components 2 and 3 during the inception phase to ensure that their systems and processes are applying consistent indicators and data collection methods.

Component 2 will see each municipality develop their own strategic plans and annual work plans for the PARTISIPA program, this carries with it the risk that each municipality will apply different indicators and data collection methodology that will undermine the ability of the Program to assess what is working and what is not working in different localities. PARTISIPA should develop a menu of indicators and data collection methods that sits alongside the menu of options for municipalities. This will ensure consistent application across municipalities. For example, the menu of options (draft at annex 6) should be elaborated for M&E purposes as depicted in the following table.

Table : Indicative M&E Plan for Component 2

|  |  |  |
| --- | --- | --- |
| Activity |  Indicator | Data collection method |
| Financial contribution to O&M |
| * Pilot new methodologies for O&M of rural water infrastructure
 | Increase / decrease in number of operational water supply systems  | Baseline, midline and end-line count by postu and independently verified.  |
| * Plan, allocate, disburse and acquit funds for O&M of rural water infrastructure
 | Increase in funds available to postu and villages for O&M | Examination of annual budgets and annual financial reports. Ground-truthing of funds flows by independent CSO.  |
| Budgeting and Public Financial Management |
| * Annual budgeting against workplans
 | Number of annual work plans with budgets in place | Baseline, midline and end-line comparative analysis of municipal workplans and budgets  |
| * Disbursement and expenditure tracking
 | Increase / decrease in funds available to municipal work areas | Annual public sector financial expenditure review |
| * Financial acquittals and reporting
 | Increase / decrease in acquittals documentation | Annual public sector financial expenditure review |

M&E of component three activities will also need to ensure a consolidated approach to indicators and data collections methodology, coordinated by the PARTISIPA M&E team. The Australian Government has a long history of supporting water supply throughout rural Timor Leste, including most recently through the PARTISIPA interim program. Component 3 M&E should draw upon the data of previous water supply investments and seek to build upon them rather than reinvent new approaches. Going forward, particular attention should be paid to cost-benefit analysis of different approaches to help GoTL identify sustainable solutions to O&M.

Establishment of the PARTISIPA M&E system will require M&E resources to be “front-loaded” during the inception and early implementation phases of PARTISIPA so that consistent and high-quality plans, frameworks and tools can be designed, tested and applied across the program.

## Monitoring

There are several complementary components to monitoring as follows:

**Joint Monitoring Missions and Schedules:** the PARTISIPA Implementing Partner, together with DFAT, will negotiate a monitoring schedule with MSA for the PARTISIPA program. Joint monitoring missions could take place every six-months and include senior decision makers from MSA and other relevant ministries, municipal presidents, and representatives from DPOs and women’s groups. Reporting from the Joint Monitoring Missions should be provided through presentations and reports to relevant GoTL agencies and community organisations. Agreeing a joint monitoring approach and plan early in the life of PARTISIPA will be important for strengthening feedback loops and evidence-based decision making.

**Biennial Technical Audits of Village Infrastructure:** PNDS, with the support of the PNDS SP, has undertaken regular technical audits of village infrastructure – sampling approximately 50 villages. This will continue under PARTISIPA and will provide a wealth of information to GoTL and the Program to inform planning, assess and compare methods, highlight trouble spots, and understand development progress at the village level. The scope of the technical audit could be expanded so that the information provides a more detailed picture of village level development. The PARTISIPA MEL team will provide critical support to the PNDS secretariat to ensure the systems is well-maintained and potentially upgraded.

**Monthly Adviser reports:** All advisers will be required to submit monthly reports to the Senior Management Team. These repost will primarily focus on the activities delivered (outputs) during the month. At the national level, the reports will be reviewed and collated to inform decision making, update DFAT and key stakeholders of emerging issues, and manage risk.

**Field monitoring and inspection**: FST with the support of the PARTISPA M&E team will be responsible for conducting quarterly inspections of a sample of villages across different municipalities. These processes will involve engagement with leaders and community members at the village level and examine the reach of quality of PARTISPA support across all three components. Monitoring will also need to assess the capacity development of village level administration and governance, particularly in relation to managing O&M. Interviews and focus groups with community members may form part of the field monitoring and inspection process.[[19]](#footnote-20) Field monitoring and inspection will inform whole of program quarterly reporting. In addition to FST, PARTISIPA will support counterparts from government, development partner and PARTISIPA roving TA teams to conduct field visits to build a common understanding of constraints to service delivery at the frontline.

**Capacity Building assessments**: PARTISIPA outcomes are focused on strengthening organisational systems and processes, and institutional reform. PARTISIPA will measure the extent to which capacity is developing people and organisations are becoming increasingly independent of different types of assistance provided, and the extent to which systems and processes are becoming increasingly adopted and sophisticated. A simple capacity checklist and scoring methodology that assesses capacity for relevant key functions will be used over the life of the program to track change. A tailored version of this type of tool can be used to map capacity changes at municipal, postu and village levels.

**Six-monthly progress reports:** The Senior Management Team led by the M&E adviser will be responsible for preparing whole of program six-monthly progress reports drawing on the information provided in monthly and quarterly reports. These reports will focus on the following key monitoring questions:

Has PARTISIPA done what it planned to do?

Were the costs in line with what was expected?

What challenges and risks are affecting progress?

Is PARTSIPA reaching and engaging the right people at all levels?

To what extent are we seeing improved performance in individuals and institutions as a result of PARTISIPA’s interventions?

What changes and benefits are being experienced by counterparts and component beneficiaries?

Six monthly and annual reports will be prepared as follows:

* July-December six-monthly reporting: a presentation, with an update on progress for the indicators of the MEL Framework; and
* Annual report: submitted in August this report will be a more substantive and reflective document, which puts progress and challenges into a broader context.

**Reflection and refocus workshops:** The M&E team will facilitate six monthly reflection and refocus workshops. The audiences for the workshops will include staff and key counterparts across all components. The audience for any given session will differ depending upon the purpose of the workshop. For example, a municipality may seek to hold a reflect and refocus workshop across all three components operating within the location, or a single component team may seek to hold a workshop that is inclusive of national and sub-national implementers. The MEL team will map out the workshops together with each component. The focus of the workshops will be:

* reviewing and interpreting evidence of PARTISIPA’s progress and quality
* critically analysing the factors that underpin the program’s progress and outcomes
* building a shared understanding of what is working, what is not working, and why
* Identifying the actions or changes that need to be made to improve program implementation.

This process will inform the lessons learnt and continuous improvements that may lead to changes to Annual Work Programs (either program-wide or specific municipality or component workplans).

**Periodic external critique:** Dili Posts in the process of revising its approach to performance quality across the aid program, and will look to engage a team of ‘critical friends’ to provide periodic, external critique of investments and whole-of-program strategy. DFAT plans to establish a group of external advisors (5-6 people) that will provide annual review of the whole program and have expertise across the spread of investments. This advisor group will focus on the alignment of investments with program strategy (strategic relevance), the alignment of investments with other investments (inter-investment relevance), the effectiveness of engagement with government counterparts and should provide advice that leads to adjustments in investment delivery. This group of ‘critical friends’ will undertake an annual program level ‘health check’ of PARTISIPA to the steering committee to inform program learning and review and will be presented with recommended management responses agreed at the technical level by MSA, DFAT and PARTISIPA. In inception, PARTISIPA will carefully consider the appropriate sequencing for these governance mechanisms to ensure alignment with Timor-Leste’s budget and planning processes.

## Evaluation

Evaluation of PARTISIPA will comprise a range of evaluation activities that will occur at key points over the life of the investment. All evaluation activities will seek to answer some or all the investment’s key evaluation questions which have been structured according the OCED-DAC evaluation criteria for development programs. These questions will underpin the structure of the six-monthly reports.

Table : Key Evaluation Questions

|  |  |  |
| --- | --- | --- |
| Domain | Key Evaluation Questions | Key areas of inquiry  |
| Impact | 1. How and to what extent has the infrastructure and services supported by PARTISIPA benefited the people of Timor-Leste living in rural villages? (EOIO1, EOIO4)
 | * Changes in health, education, and rural livelihoods
* Village governance architecture
* Participation of women, people with disabilities, and other marginalised groups in village development
* Benefits and unintended consequences of PARTISIPA on citizens, including people with disabilities, women, and other marginalised groups
 |
| Effectiveness | 1. How and to what extent has PARTISPA assisted national and sub-national level governments deliver improved infrastructure and services for villages? (EOIO 2 and EOIO 3)
 | * Changes in policy and systems
* Implementation of decentralisation mandates
* Financing for village infrastructure (including O&M)
* Longevity and accessibility of village infrastructure
 |
| Relevance  | 1. Does the learning and adaptive management approach support continuous improvements to the PARTISIPA approach and to achieving the planned outcomes?
 | * Planning and use of evidence and feedback loops at every level
* Implementation progress and outcomes from annual workplans
* Engagement with key stakeholders (particularly government)
 |
| Efficiency  | 1. To what extent are PARTISIPA activities delivered in an efficient and timely manner?
 | * Implementation progress against annual work plans
* PARTISIPA operational backbone
 |
| Sustainability  | 1. To what extent will the benefits of PARTISIPA continue beyond the life of the investment?
 | * Laws, policies and regulations enacted and implemented
* Systemic changes at all levels
* Longevity and accessibility of village infrastructure
 |

### Evaluation Methods

The primary evaluation activities to be undertaken are as follows:

1. **Baseline and Tracking of Progress and Outcomes**: PARTISIPA will collate information from across all components to build a baseline of information (including drawing from existing data held by the PNDS MIS and current PARTISIPA team). This baseline information will be tracked and reported against in keeping with the MEL Framework. It may also be used by independent research groups and/or evaluation groups as a source of data (thereby limiting the need for the research group to conduct primary data collection). During the inception phase a complete data profile of the program will be developed and may include:
	* PNDS progress data (as obtained through the PNDS MIS) including Infrastructure builds (type, cost, women’s participation, location, progress, etc).
	* Accessibility and use of infrastructure by different groups of the population (farmers, women, people with disabilities, children, etc).
	* Infrastructure O&M (e.g. number of water systems maintained, types of O&M management at village level, costs-benefit of O&M, etc).
	* Tracking of capacity development at each level.
	* Policy change tracking.
	* Tracking of engagement across levels of government, and between agencies.
	* Tracking against municipal Annual Work Plans.

The baseline profile will not only be a useful tool for program M&E, and independent research and evaluation, it is also a necessary pre-cursor to the identification of MIS specifications.

1. **Biennial Independent Research:** Similar to that adopted by PNDS, an independent research organisation or group will be sourced to provide a high-quality research piece biennially (every two years). The Independent research will rely upon the primary data collected through the PARTISIPA program as its principal source of data. Secondary data will be derived from the large volume of research and analysis conducted by universities, donors, multi-lateral organisations, and the Government of Timor Leste. The survey team may also be required to conduct some primary data collection – the extent will be dependent upon the priorities of Government of Australia and Government of Timor Leste, and the available resources. The published report will provide GoTL, GoA and others with high quality information that inspires interest and momentum in the program of work. The focus of the research will be determined by DFAT in consultation with GoTL at the appropriate time.
2. **Biennial technical audits of construction quality, accessibility and resilience:** using approaches in the current program to demonstrate that community built and managed infrastructure is effective, efficient and quality, while also identifying key issues and failings to be addressed through training and capacity building activities. This will provide evidence for policy makers and budget holders to continue support for PNDS in particular.
3. **Focus groups and interviews:** A mix of six-monthly and annual focus groups and interviews will be conducted with key counterparts and select beneficiaries. These will be undertaken by the M&E team with support of the FST as required for suku level engagement. They will also link and support case studies.
4. **Periodic case studies:** Case studies will be conducted from year two onwards to analyse key areas of inquiry and emerging themes, and to document good practice and lessons. Areas may include:
* Social and gender inclusion.
* Cost comparisons for infrastructure development between suku and private sector.
* Women’s role and leadership in PARTISIPA activities.
* People with disabilities inclusion in PARTISIPA activities.
* Innovations in community engagement and participation.
* Improved resilience of infrastructure and communities to climate change and disasters.
* Postu-village engagement and relationships.
* A study of labour arrangements on PNDS projects.
* Capacity development of program staff and leaders at the national and sub-national (municipal, Postu and village level) including training impact.
1. **Independent mid-term review and end of program reviews:** DFAT in collaboration with GoTL will be responsible for commissioning up to three independent evaluations over the life of the program with the first after three years of implementation. These evaluations will consider existing monitoring data and information from community surveys and case studies, supplemented with additional primary data collection activities. The terms of reference will be developed by DFAT. DFAT may also establish a Technical Advisory Group for the program.

### MEL Resourcing

The PARTISIPA program will invest in MEL because it plays a critical role in investment accountability, management decision-making, performance tracking, learning and continuous improvement. In keeping with DFAT guidance on good practice program M&E, PARTISIPA will dedicate approximately 8-9 per cent of its budget to M&E.

PARTISIPA supports the GoTL across levels and agencies to better use evidence and data for decision-making and promote an organisational culture of reflection and continuous improvement. MEL needs to be fully integrated, understood and utilised across the program.

The PARTISIPA Evidence and Learning Team will be managed centrally by a senior international level M&E expert. The Evidence and Learning Team functions will include the following:

* Monitoring and evaluation across the program components
* Development of tools for data collection and capacity tracking
* Provision of training and support to the implementation team
* MIS Management
* Reporting on progress
* Communications
* Surge capacity (e.g. for reporting, desktop publishing, etc)
* Oversight of gender, disability and social inclusive MEL

This IDD budget includes costs associated with an international adviser, and the MEL Unit as a whole. A further breakdown of budget / costs is not provided; enabling the incoming managing contractor to establish a fit-for-purpose team that fulfils the functions effectively and efficiently.

1. Risk Management and Safeguards

Even without a wider outbreak, COVID-19 is impacting the lives of Timorese people. Income shocks are constraining households’ ability to meet basic needs and access sufficient nutritious food; school closures have affected children’s learning outcomes; and lockdowns have increased the risk of violence against women and children. Restrictions on domestic and international movement are disrupting agricultural markets, business activity and employment prospects in an already fragile economy. The pandemic will continue to cause uncertainty and present risks to Timor-Leste’s population and economy. Australia will continue to be flexible and responsive to support government to respond and adapt activity delivery to minimise health risks.

The economic outlook for Timor-Leste presents serious challenges. The Petroleum Fund is the main source of GoTL revenue, and government spending is the main source of economic stimulus in Timor-Leste, with private sector development almost non-existent. Unsustainable depletion of the Petroleum Fund threatens to reduce the Government’s ability to invest over the medium term in key basic services including related infrastructure, and economic stimulus programs such as PNDS. The consequences for Timor-Leste are stark, with decreased investment in essential services potentially leading to instability and increased fragility.

For PARTISIPA, the GoTL fiscal outlook is the most serious risk to the program as it could undermine all three components of the investment and threaten the achievement and sustainability of program outcomes. Over the last few years, the GoTL has been unable to fund the PNDS suku grants given political instability and the inability of government to promulgate annual budgets. However, the GoTL has continued to fund the Operational (staffing) and a limited amount of Goods and Services budgets for PNDS and Australia has contributed AUD 7 million in grants funds in 2020. As fiscal constraints tighten over the coming years, the GoTL may not be able to invest in PNDS grants which will further reduce or halt investments in village level basic services infrastructure. The PNDS program may lose effectiveness and credibility, reducing the impact of PARTISIPA Component One, and potentially causing reputational damage to DFAT.

Limited Goods & Services budgets have been a recurring issue at national and Municipal levels of government in Timor-Leste. As part of the highly fungible Goods & Services budget category, funds for O&M are routinely redirected to plug other budget gaps such as for operations and contract staffing in municipal and postu offices. This is likely to continue or worsen as the GoTL fiscal position declines, with negative consequences for all three components of PARTISIPA. PNDS and SMASA staff at municipal and postu level will not have funds for the equipment and spare parts needed to maintain and repair PNDS infrastructure and other water systems. Additionally, they will not have the funds for fuel, telecoms, and other goods needed to travel to suku to provide technical and other capacity development support for PNDS or O&M more broadly. This will compromise both the quality of program and service delivery, and increase the rate at which infrastructure breaks down, undermining the benefits, effectiveness and efficiency of initial investment, and reducing citizens’ access to basic services.

While the GoTL has a plan and schedule for political decentralisation, it is likely that this would be delayed as policy and resourcing gaps remain in the preparation phase for political decentralisation and because of the changing political settlement and policy priorities. The consequences of this could be significant given that centralised government systems are generally less responsive and accountable to citizens. If political decentralisation is rushed, as it was in Indonesia, there is a risk that newly elected municipal governments are unable to deliver on their newly acquired mandate leading to increased poverty and contributing to social instability. Either of these scenarios would make it difficult for PARTISIPA to achieve associated Component Two investment outcomes.

There has been a freeze on civil service recruitment in Timor-Leste for several years. This has led to gaps in staffing, for example, in the PNDS team at the national and sub-national level. Other agencies are likely to be facing similar gaps. This could lead to further declines in the quality of programs and services and leave insufficient or ill-matched counterparts for this investment, undermining both impact and sustainability.

The risks outlined above are largely high-level political risks that are already being managed by DFAT, GfD and PARTISIPA advisers engaging with political leadership across the Office of the Prime Minister, Ministry of Finance, and MSA to influence policy and decision-making. While this is an adequate and ongoing response, it will be important to continue and increase this engagement to advocate for more sustainable spending levels and more appropriate investments as the fiscal situation tightens. Strong advocacy for PNDS funding and budget support for O&M will remain high priorities for the duration of the PATISIPA program. Finalising the PNDS Decree Law will provide a foundation for ongoing funding for PNDS. The programs multi-component and shared services approach provides flexibility to move resources horizontally and vertically as opportunities shift, including through reduced government grants for infrastructure. The program’s approach on strengthening systems and support for O&M and goods and services budgets at national and municipal levels will help mitigate some of the risks outlined above, but efforts to address GoTL’s macro-fiscal position is beyond the scope of this investment.

The PARTISIPA team will be highly mobile, with TA and operational staff based in various locations, and frequently traveling across the country. This poses a significant risk to children, with children being vulnerable to exploitation both directly by PARTISIPA staff and indirectly via the activities that PARTISIPA supports. One possible example is the use of child labour given the community-based management of PNDS construction and O&M of basic services infrastructure, and the need to continually ensure awareness of risks to children and inappropriateness of child labour. PARTISIPA will need to put in place stringent Child Protection and PSEAH[[20]](#footnote-21) policies and practices, and supports counterparts to have the same high levels of safeguards. These will need to be continually revised, adapted, monitored, assessed and reinforced over the lifespan of the investment. The consequences of not continually mitigating this risk are severe for the child / children involved and represent a reputational risk to DFAT and the Managing Contractor.

See Annex 10: Risk and Safeguards Matrix for more details.

1. Procurement and Partnering

PARTISIPA will be delivered through a Managing Contractor to maximise DFAT’s ability to guide the strategic direction of the program in partnership with MSA and MoPW, and representational visibility for the investment. The MC will continue several existing investments such as support to PNDS and expand existing pilots for support to sub-national administration and O&M of suku water systems. The MC will expand on these pilots and may also develop and implement new investments, for example, possible support the R&M of rural roads. The MC will have significant flexibility to design and implement strategies and activities to achieve the End of Investment and Intermediate Outcomes. With MSA, DFAT will maintain strategic direction and oversight of the program.

As mentioned elsewhere, in 2020 the GoA contributed AUD7 million to PNDS grants through GoTL budget and treasury systems. While this initiative was managed directly by DFAT rather than through the MC, working through partners PFM systems may be included in the PARTISIPA program in the future. All necessary safeguards will need to be put in place if this eventuates.

DFAT will procure the services of an MC selected through a competitive, DFAT-managed open tender process. The GoTL will be represented in the tendering process to increase local ownership and ensure appropriate program support.

The MC will follow relevant Australian legislation and DFAT policy frameworks including the Public Governance, Performance and Accountability Act 2013, the Financial Framework (Supplementary Powers) Act 1997 and the Commonwealth Procurement Rules. The MC will be subject to standard internal and external audit requirements.

A draft Statement of Requirements and Pricing Schedule have been developed. The draft Pricing Schedule proposes that a proportion of the MC’s Management Fees be linked to key milestones, Partner Performance Assessment and also Payment by Results/Outcomes.

The program will work with and support the GoTL to develop relevant partnerships, including with local CSOs such as Disabled Persons’ Organisations and non-government organisations working on social accountability mechanisms. The MC may development partnerships with credible international organisations such as multilateral institutions, NGOs, think tanks and academic institutions for independent research purposes and to enhance approaches in areas like GEDSI. DFAT will facilitate opportunities for access to Australian expertise, for example, through the Australia Water Partnership and potential whole-of-government engagement opportunities.

1. Government of Timor-Leste, Poverty in Timor-Leste 2014, http://www.statistics.gov.tl/wp-content/uploads/2018/02/Poverty-Report-2014-final.pdf [↑](#footnote-ref-2)
2. This is based on the consistently high number of requests from villages for water and roads infrastructure under PNDS with 94 water and irrigation projects selected by communities and another 186 projects including roads, bridges and drainage in the 2019 budget. This is complemented by the results from Tatoli public surveys conducted by The Asia Foundation which also show roads and water remain the highest priority services for communities. [↑](#footnote-ref-3)
3. Timor-Leste Demographic and Health Survey 2016 [↑](#footnote-ref-4)
4. *Ibid*  [↑](#footnote-ref-5)
5. Besik. 2016. Women’s Time Use Mapping: Changes after the Improvement of the Water System in rural Timor-Leste. Besik: Dili.  [↑](#footnote-ref-6)
6. International Women’s Development Agency (IWDA) <https://iwda.org.au/timor-leste/> [↑](#footnote-ref-7)
7. ibid [↑](#footnote-ref-8)
8. Ibid [↑](#footnote-ref-9)
9. Sarah Dwyer paper for DFAT Timor Leste, 2019 [↑](#footnote-ref-10)
10. PNDS-SP Annual Report 2017-18 [↑](#footnote-ref-11)
11. PNDS-SP Annual Report 2017-18 [↑](#footnote-ref-12)
12. Timor-Leste 2017 Human Rights Report: [https://web.archive.org/web/20180421055428/https://www.state.gov/documents/organization/277367.pdf](https://web.archive.org/web/20180421055428/https%3A//www.state.gov/documents/organization/277367.pdf) [↑](#footnote-ref-13)
13. Government of Timor-Leste (2016) Intended nationally determined contribution of Timor-Leste to the United Nations Framework Convention on Climate Change, p.15-16 [↑](#footnote-ref-14)
14. <https://www.un.org.tl/en/component/jdownloads/send/17-covid-19/78-seia-final-report?Itemid=0> [↑](#footnote-ref-15)
15. PND-SP Mid-Term Review (2017) [↑](#footnote-ref-16)
16. Similar to the women’s meeting that is held prior to community planning meetings, a separate meeting could be held with people with disabilities prior to the main community meetings to provide an opportunity for them to prepare for these discussions. [↑](#footnote-ref-17)
17. See Assessing and Using Partner Government Systems for Public Financial Management and Procurement Guideline (April 2019); Managing Activities That Use Partner Government Systems Guideline (April 2019); and Framework for Engaging on Public Financial Management (April 2019). [↑](#footnote-ref-18)
18. All suku have PNDS bank accounts, and some Water User Groups have bank accounts. Suku schools and clinics may also have bank accounts. There is merit in maintaining separate bank accounts at the suku level as this ensures that relevant community members can access and be accountable for specified funds as signatories on designated accounts. It would not be advisable, for example, for a Water User Group to have to ask the PNDS Community Management Team for access to SMASA funds for O&M of water infrastructure, or to have to ask others to provide bank statements for accountability purposes. [↑](#footnote-ref-19)
19. Planning for inclusion will need to ensure the participation of people with disabilities in the process, including considering accessible venues and factoring in provision of reasonable accommodation for their participation. [↑](#footnote-ref-20)
20. Preventing Sexual Exploitation, Assault and Harassment (PSEAH) [↑](#footnote-ref-21)