



Aid Program Performance Report 2012–13

República Democrática de Timor-Leste

Key messages

This report summarises the progress of the Australian Government’s aid program in Timor-Leste from January 2012 to June 2013. The aid program is implemented in accordance with the Australia-Timor-Leste Country Strategy 2009–2014 and Strategic Planning Agreement for Development 2011.

Australian assistance to Timor-Leste has increased agricultural productivity, and improved rural roads, and access to clean water and sanitation. Our health and education programs are improving access to primary schools and vocational training and health services. Our support is also helping strengthen public financial management systems.

Our program relevance and efficiency has improved through stronger partnerships with the Timor-Leste Government and changes to how we work with the World Bank. Investing resources in sectoral and political economy analysis has led to better program designs and engagement with the Timor-Leste Government. Progress has been made to consolidate small aid projects to larger sector programs to improve efficiency and effectiveness.

Despite modest improvements in our program, poverty continues to have a disproportionate impact on people with disability, women and girls. High rates of malnutrition constrain development gains in every sector.

Context

Timor-Leste is a middle income country but its development indicators are some of the worst in the world. In 2012, Timor-Leste commemorated 10 years of independence and held fair and peaceful elections. The success of these milestones and ongoing stability saw the withdrawal of the United Nations Integrated Mission in East Timor peacekeeping operations and Australian-led International Stabilisation Force. This new era of stability allowed the new government to implement Prime Minister Gusmão’s Strategic Development Plan 2011–2030, which articulates a vision for using petroleum wealth to develop the economy and alleviate poverty. Timor-Leste has made progress in improving stability and increasing economic growth. It has established a vibrant democracy and a model structure for managing its resources wealth, however economic growth from oil is not reaching poor people and poverty remains prevalent.

Timor-Leste has some of the worst poverty and development indicators in the world. Progress against the Millennium Development Goals (MDGs) in 2012 is mixed. The greatest improvement has been against goal 4 (reduce by two thirds, between 1990 and 2015, the under-five mortality rate), where a reduction in under-five mortality rates (80 deaths out of 1000 births in 1990 to 64 deaths out of 1000 births in 2010) has been achieved. Other results mask a more complex story. While the Ministry of Education National Education Strategic Plan (2011–2030) estimates school enrolment rates have increased to 93 per cent for primary education, repetition rates remain high.

The proportion of births attended by a skilled birth attendant have increased, however maternal mortality remains one of the highest in the world—557 per 100 000 live births

compared to a regional average of 88.¹ The estimate of people in poverty is 41 per cent² with 73 per cent on less than USD2 a day.³ Economic growth from Timor-Leste's natural resources is not yet reaching the rural poor, which is most of the country's population.

These communities are poor for a range of reasons. A poorly educated workforce is a constraint to productivity and economic development. Formal private job creation is low with many more new jobseekers entering the workforce than there are jobs. Subsistence farming is the main form of livelihood outside of Dili but agricultural productivity is low with challenges in storing and transporting produce to market. Infrastructure is either missing or in poor repair.

Poverty has a disproportionate impact on people with disability, women and girls. People with disability are amongst the most disadvantaged of the poor in Timor-Leste with the 2010 census reporting that 49 per cent were unemployed and 72 per cent had never attended school. The census also showed that 4.6 per cent of the population have a disability, however this figure varies considerably from international experience and is likely an under-representation of the true prevalence of disability in the country.

Poverty analysis carried out at the household level only masks the disproportionate burden experienced by women and girls. Women generally earn less than men.⁴ In the 2010 census, the female adult labour force participation rate was 36.3 per cent, compared to males at 72.8 per cent. Female adult literacy in Tetun was 50.9 per cent compared to males at 61.3 per cent. Most maternal and child deaths result from preventable and treatable conditions compounded by poor nutrition. Timorese children in rural areas are amongst the most malnourished in the region. Table 1 shows the rate of child stunting at 58 per cent in 2010.⁵ Australia is working with Timor-Leste to target the underlying causes with sector programs addressing weaknesses in service delivery.

Table 1: Malnutrition in Timor-Leste

Indicator	Timor-Leste Demographic Health Survey 2009–10	Least Developed Countries average
Wasting (6–59 months)	19 per cent	11 per cent
Stunting (6–59 months)	58 per cent	44 per cent
Underweight (6–59 months)	45 per cent	28 per cent

Source: United Nation Children's Fund The State of the World's Children, 2011. Values should be considered indicative, since methods used to derive them are not strictly comparable to the 2009–10 Timor-Leste Demographic and Health Survey.

Following the 2012 elections, the new government continues to implement Prime Minister Gusmão's 5th Constitutional Government Program, which aligns with the strategic development plan. Australia also aligned with this plan in 2011 through our partnership agreement.

¹ Timor-Leste Demographic and Health Survey 2009–10.

² According to the national poverty line of USD0.88 a day as estimated by the World Bank in 2009.

³ Although there is good information about the extent of poverty in Timor-Leste, very few of the poverty studies have been repeated or include qualitative enquiry, which means there is limited information on the dynamics or drivers of poverty. By the international income poverty measure of USD2 a day, 72.8 per cent of the population is poor. The Multidimensional Poverty Index, which tracks health, education and asset measures, and is based on 2009–10 Timorese data, estimates that 68.1 per cent of the population is poor and 18.2 per cent is vulnerable to poverty. The index also estimates that 38.7 per cent of the population in Timor-Leste is in severe poverty.

⁴ United Nations Development Programme report on Timor-Leste (United Nations Development Programme, 2011, p.32).

⁵ Timor-Leste Demographic Health Survey 2009–10.

The Australian aid program in Timor-Leste

Overall, the performance of our programs has improved from last year. This aid program performance report (APPR) measures progress using our interim performance assessment framework—our first country level performance framework that aims to bring together the intent of objectives in our country strategy and partnership agreement. It identifies the behaviour changes we seek, and draws evidence from across the portfolio including:

- > rural development, including increased agricultural productivity and improved infrastructure such as rural roads and water and sanitation systems
- > better access to, and quality of, education
- > better access to quality health services, particularly for women and children
- > strengthened public sector administration and governance to ensure the public sector has the capability to provide quality services to the Timorese people
- > security.

The Australia-Timor-Leste Country Strategy 2009–2014 and partnership agreement articulate this focus. In 2012, consultations and analysis commenced to develop a new 2014 country strategy. This will reflect progress in Timor-Leste and the Australian aid program and include strategic goals from our aid policy framework as well as the Timor-Leste strategic development plan targets.

Australia remains the largest donor to Timor-Leste and provided 37.1 per cent of total official development assistance in 2011 (table 2). A genuine partnership is being achieved between the two countries through strong engagement in Timor-Leste’s annual Development Partners Meeting, and in June 2013 through the first annual high-level partnership talks which discussed progress under the partnership agreement. Timor-Leste and Australia also play a leadership role with the New Deal on peace and state building.⁶

Table 2: Aid to Timor-Leste by donor 2011

Rank	Donor	Per cent of total official development assistance
1	Australia	37.1
2	United States	13.2
3	Portugal	9.9
4	Japan	9.6
5	European Union institutions	6.6
6	Norway	2.9

Source: OECD Development Assistance Committee website.

Implementing partners

In 2012–13, the Australia’s Timor-Leste country program administered \$69.1 million of Australia’s official development assistance allocation to Timor Leste. The relevance and effectiveness of program designs and implementing partners is assessed each year. We

⁶ Timor-Leste is a member of the g7+, an international grouping of 18 countries that have come together to give voice to the unique challenges faced by fragile and conflict affected states. Timor-Leste has championed a new way for international development known as the New Deal to help fragile and conflict affected countries take charge of their future. The New Deal calls for recipient governments to take greater control of development in their country and for donor assistance to align behind local priorities. Australia and Timor-Leste were among the first countries in the world to sign up to the New Deal at the High-level Forum on Aid Effectiveness in Busan in 2011.

consider multilaterals and civil society organisations as highly valued partners, and recent analysis suggests we could be making better use of these partner's strengths.⁷ We are moving away from project grants with non-government organisations toward core funding and strategic partnerships (in some cases at the country level, operating across the program) for greater policy engagement, flexibility and responsiveness. Our 2011 annual program performance report⁸ (APPR) showed that slow disbursement of funds, complex procedures for procurement, issues with adviser management and monitoring, and evaluation were challenges with World Bank trust fund programs. A new country-level World Bank trust fund mechanism was introduced in June 2013 and will replace existing mechanisms as they come to an end.

Recognising the role civil society organisations often play in restoring confidence and sustaining transformation post-conflict, Australia funds these organisations to implement programs. Those operating in Timor-Leste receive funding from up to 22 Australian Government sources. It is not efficient for the department to directly manage multiple partnerships with civil society organisations, so the process is being rationalised by, for example, using indirect funding through managing contractors.

Currently 42 per cent of the program is delivered through commercial suppliers, which includes funding they disperse to non-government organisations and local contractors. This is an increase from 36.7 per cent in 2011. A total of 24.2 per cent of the program is delivered through multilaterals (a decrease from 28.8 per cent), 4.5 per cent directly through Australian and international non-government organisations, and 7.5 per cent through Australian Government partners. Academic and research institutions deliver 3.2 per cent of the program. Australian non-government organisations and civil society organisations receive further Australian funds through managing contractors, regional climate change funds and the Australia NGO Cooperation Program. In 2012, this provided \$8.9 million for projects in Timor-Leste, representing the largest country allocation for Australian non-government organisations that year. The funding is supporting 16 organisations to carry out 40 programs in education, economic development, conflict prevention, health, and water and sanitation.

The Australian Federal Police and the Australian Centre for Agriculture Development partner with the Department of Foreign Affairs and Trade (DFAT) and the Timor-Leste Government to implement large programs. Other government departments, such as the Australian Bureau of Statistics and Australian Electoral Commission, implement smaller activities administered by the department because their specialist expertise and relationship is valued by Timorese counterparts. The departments of Agriculture, Fisheries and Forestry; Immigration and Citizenship; Industry, Innovation, Science, Resources and Tertiary Education; and Infrastructure and Transport also delivered Timor-Leste programs in 2012–13.

In 2012–13 Australia helped Timor-Leste central agencies to better deliver their services, to strengthen the state-society compact so all Timorese benefit from prosperity.

Australia funds volunteers in roles that support priorities in the Timor-Leste Strategic Development Plan 2011–2030. While 2012–13 data is incomplete until end of year reporting is available, 66 new volunteers were planned to be mobilised to Timor-Leste for 2012–13. Their role is to improve staff skills, and help implement better organisational processes and systems.

New programs

In 2012–13, Australia's new programs increased relevance to Timor-Leste by aligning to its strategic development plan priorities and supporting inclusive, nationally-driven and country-

⁷ Review of World Bank Trust Fund programs 2012 and Civil Society Organisations Review 2013.

⁸ Prior to 2012-13 And Program Performance Reports were called Annual Program Performance Reports

owned programs. Our stronger sectoral, gender and disability analysis have helped increase program relevance. We commissioned a gender situation analysis and analysis of barriers for people with disability in education and health, led by people with disability consulting people with disability. New designs have committed to more predictable funds with realistic timelines to improve effectiveness. In recognition that community driven development can be an effective way to improve outcomes in rural areas, Australia is helping design and prepare the National Program for Village Development—a Timor-Leste Government program that provides grants for infrastructure to every village.

In 2013–14, the aid program in Timor-Leste will implement major new designs in education, health, governance and ending violence against women. The department’s health team, with support in the nutrition, disability and gender areas, will work with the government and development partners to raise the profile of these cross-cutting issues and advocate for evidence-based interventions.

Expenditure

Table 3A: Estimated expenditure from 1 January to 30 June 2012

Objective	\$ million	% bilateral program
STRATEGIC DEVELOPMENT PLAN PILLAR: INFRASTRUCTURE DEVELOPMENT		
> Objective 1: Water, sanitation and hygiene	2.7	5
> Objective 2: Rural roads	7.5	14
STRATEGIC DEVELOPMENT PLAN PILLAR: ECONOMIC DEVELOPMENT		
> Objective 3: Agriculture	2.8	5
STRATEGIC DEVELOPMENT PLAN PILLAR: SOCIAL CAPITAL		
> Objective 4: Education	4.8	9
> Objective 5: Health	2.6	5
STRATEGIC DEVELOPMENT PLAN PILLAR: INSTITUTIONAL FRAMEWORK		
> Objective 6: Security (including \$3 million for justice)	14.7	27
> Objective 7: Public sector management and good governance	2.5	5
Other		
> Multi-sector and regional/global (including contributions to the Global Fund to Fight Aids, Tuberculosis and Malaria; climate change mitigation; and United Nations Police)	16.3	30
Estimated ODA 1 January to 30 June 2012	53.9	100

Table 3B: Estimated expenditure in 2012–13

Objective	\$ million	% bilateral program
STRATEGIC DEVELOPMENT PLAN PILLAR: INFRASTRUCTURE DEVELOPMENT		
> Objective 1: Water, sanitation and hygiene	4.75	4
> Objective 2: Rural roads	6.88	6
STRATEGIC DEVELOPMENT PLAN PILLAR: ECONOMIC DEVELOPMENT		
> Objective 3: Agriculture	4.86	4
STRATEGIC DEVELOPMENT PLAN PILLAR: SOCIAL CAPITAL		
> Objective 4: Education	12.08	10
> Objective 5: Health	7.87	7
STRATEGIC DEVELOPMENT PLAN PILLAR: INSTITUTIONAL FRAMEWORK		
> Objective 6: Security	22.00	18
– Support to Ending violence against women and justice	6.45	5
> Objective 7: Public sector management and good governance	10.06	8
– Support to the National Program for Village Development	4.45	4
Other		
> Multi-sector * includes \$8 million for United Nations Police	23.80	20
> Regional/global (including contributions to the Global Fund to Fight Aids, Tuberculosis and Malaria; climate change mitigation)	16.30	14
<i>Estimated total ODA for 2012–13</i>	<i>119.50</i>	<i>100</i>

Table 3A & 3B source: AidWorks.

*Due to a change to financial year reporting in this report, tables 3A and 3B cover an 18-month estimate of pro-rata actual expenditure for January to June 2012 and estimated end of financial year position for financial year 2012–13.

*Objective 6 is mostly implemented by Australian Federal Police.

Progress towards objectives

Table 4: Rating of the program's progress towards the objectives

Objective	Current rating	Previous rating
Objective 1: Increased access to and use of safe water and sanitation	Green	Green
Objective 2: Rural population has better roads	Amber	Amber
Objective 3: Increased productivity of major staple food crops through farmers using improved seed	Green	Green
Objective 4: More children and youth attain improved learning outcomes and employability	Amber	Red
Objective 5: Households, especially the most vulnerable, increasingly practice behaviours that are conducive to better maternal and child health and nutrition and use reproductive, maternal, newborn and child health services	Red	Red
Objective 6: Police service effective and accountable in supporting rule of law	Green	Green
Objective 7: Poverty reduction in Timor-Leste through improved economic development and delivery of services	Green	Amber

Note:

- Green. Progress is as expected for this point in time and it is likely that the objective will be achieved. Standard program management practices are sufficient.
- Amber. Progress is somewhat less than expected for this point in time and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.
- Red. Progress is significantly less than expected for this point in time and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

The Timor-Leste program piloted a performance assessment framework for this reporting period. The framework's purpose was to agree on country-level objectives for reporting, and identify appropriate indicators for assessing the adequacy of progress toward them. This is because the program currently draws on both the Australia–Timor-Leste Country Strategy 2009–2014 and the partnership agreement for its objectives and targets. This pilot and associated performance information is providing the foundation for a fully elaborated performance assessment framework for the new Australia–Timor-Leste country strategy in 2014. Sector, nutrition and social inclusion indicators have been used for reporting in this aid program performance report.

Objective 1

Objective	Current rating	Previous rating
Objective 1: Increased access to and use of safe water and sanitation	Green	Green

The rating reflects solid progress on increasing access to sustainable and safe water for rural communities based on the outcomes of the \$40 million rural water supply and sanitation program, BESIK1 (which was implemented from 2007 to 2012), and feedback from the Timor-Leste Government and stakeholders. Under stage 2 of the program—BESIK2—steps are being taken to help Timor-Leste expand access to sanitation for rural households through a partnership with the government.

The Timor-Leste Government has made rural water and sanitation a priority in its strategic development plan. Under the government's Decentralised Development Program, USD5.17 million has been allocated in 2013 for 44 rural water systems. Investment and improved access to sustainable water and sanitation is critical due to high rates of malnutrition and

waterborne illness. In 2012, many rural communities prioritised water and sanitation and a significant proportion of the Local Development Program community infrastructure budget was also earmarked for water supply and public sanitation.⁹ Timor-Leste is on track to meet its Millennium Development Goal target of 75 per cent access to water in rural areas due to this increased capital investment, with the important proviso that these water systems continue to function. An independent evaluation of BESIK1 found this program directly contributed to Timor-Leste meeting its target for water access.¹⁰ Improved access to sanitation requires significant investment in household level behaviour change. In addition, access to affordable sanitation products enables households to build their own water systems. Increasing behaviour change and access to affordable products continues to be a challenge and at current rates of increase, Timor-Leste is unlikely to meet its Millennium Development Goal target of 55 per cent access to sanitation in rural areas. Currently only 36 per cent of rural people have access to improved sanitation.¹¹

BESIK1 improved the health and the quality of life for rural people in Timor-Leste by building the government's capacity to deliver water, sanitation and hygiene services to its rural citizens. The program achieved more than its targets with an additional 222 909 rural people gaining access to water (an additional 14 per cent) and 67 068 rural people having access to sanitation (an additional 12 per cent). BESIK2 started in 2012 and will continue this work, but with an enhanced focus on sanitation.

Australia's contribution has been through 'increased access to and use of safe water and sanitation' delivered through BESIK1 and BESIK2. In 2009, BESIK1 research found that only 30 per cent of new systems in rural areas were fully functioning one year after construction. Under BESIK1, the focus was on improving quality of construction and basic maintenance of rural water systems. As a result, these figures have improved and in 2012, 90 per cent of BESIK systems and 75 per cent of government systems constructed in 2010 were still functioning. BESIK is helping the government to improve water infrastructure and expand rural water supply by providing technical assistance and other support. BESIK2 is focusing on furthering the sustainability of rural water systems, particularly the ongoing operation and maintenance of systems, and better service delivery. Maintaining functioning water systems and improving hygiene practices are key steps to sustaining a safe water supply.

Expanding sanitation remains a challenge with sustainable, improved toilets. Household demand is for improved pour-flush toilets, however availability for affordable pour-flush products and access to water are limited. Government subsidies have created an expectation that assistance will be provided to improve traditional toilets. Despite the challenges, there have been significant achievements since 2010 with an additional 67 028 people gaining access to sanitation as a result of Australian support. Sanitation is critical in preventing diarrhoea, a major cause of death in Timorese children. Poor sanitation is also a key contributor to poor malnutrition. In 2012–13, an estimated 31 570 people (5751 households) are demonstrating improved hygiene behaviour, particularly hand-washing with soap at critical times, that can be directly attributed to Australian-funded programs. A regional study of community-led sanitation in East Asia and the Pacific found that Timor-Leste had made progress and that BESIK has a significant impact on national sanitation coverage.¹²

There were mixed achievements on the shared targets in the partnership agreement in 2012. This was in part due to reduced Timor-Leste Government funding in rural water, slowing activity during elections, and some delay between the ending of BESIK1 and start of BESIK2.

⁹ Timor-Leste Government, Timor-Leste Orsamento Geral do Estado, 2012. Budget Book 3.

¹⁰ The BESIK1 independent completion report is published on the DFAT website.

¹¹ 2009–10 District Health Survey.

¹² www.unicef.org/eapro/12205_12250.html

Increased access to safe water for rural people was below the partnership agreement 2012 target of an additional 90 000 people with only half of this achieved. During the year, an additional 19 000 people received access to improved water through BESIK direct support, and an additional 26 000 people through water systems built by the government with BESIK support for survey and design. However, the target of an additional 35 000 rural people gaining access to basic sanitation was exceeded, with an additional 37 754 people achieving this goal.

BESIK is an effective way of contributing to Australia’s aim of promoting opportunities for all, and increasing awareness of gender and disability in the water and sanitation sector. This includes building accessible water points and providing options for households to choose technology suitable for family members with disability. BESIK2 continues to highlight the importance of disability inclusion, with water and sanitation training increasing the awareness of disability among stakeholders.

A BESIK impact assessment in May 2012 found that 72 per cent of community water groups and community leaders reported that women and men made joint decisions, compared with only 37 per cent before the program. Of the total community water groups formed under BESIK, 97 per cent have women in technical or management positions showing an increased acceptance of women in leadership roles. With support from BESIK, the recruitment of women has increased in key government roles, and 53 per cent of sanitation program officers and 25 per cent of water, sanitation and hygiene facilitators are now women.

All communities reached by BESIK reported that collecting water took less than 30 minutes. Previously, collecting water took longer than 30 minutes for 72 per cent of communities. When there is less distance to travel to collect water, there is less workload for women, particularly pregnant women. The ability for people to grow vegetables was also identified as an important benefit directly attributable to the closer proximity of water supply. The vegetables are available for family consumption and their sale provides cash to pay for school needs. In 39 per cent of communities, children said they were no longer late for school compared to before BESIK when they were regularly late for school.

With BESIK2 (\$43 million from 2012–2016), Australia remains the largest donor working in the rural water and sanitation sector after the Timor-Leste Government. BESIK2 is well respected as indicated through stakeholder interviews conducted by the independent review team and continues the strong engagement and partnership with the government which was developed for BESIK1. It is expected that the program will regain momentum in 2013 and that a DFAT water, sanitation and hygiene program director position in Dili will elevate engagement with government and enhance the focus on policy and planning.

Objective 2

Objective	Current rating	Previous rating
Objective 2: Rural population has better roads	Amber	Amber

Progress against this objective is assessed as adequate. Roads for Development (R4D) focused on the start-up phase of implementation, improving the institutional environment for reform and human resources required for road building. While no roads were built during the start-up phase in 2012, physical works commenced after the rainy season one month later than planned in May 2013 in Oecusse, Manufahi, Bobonaro, Covalima, Aileu, Baucau and Lautem. Contractors are finding the emphasis on quality a challenge and to meet the minimum standards DFAT will have to ensure effective site supervision.

The Timor-Leste Government and its development partners are committed to improving the roads sector, but progress is slow. The shared goal is to ‘maintain our current road network, including a major program of road rehabilitation, repair and improvement. New roads will only be built if they serve important economic or social objectives’. Timor-Leste’s road network is a major challenge to improving the lives of the rural population. Without better roads it will be difficult for the government to deliver critical education and health services to districts, and rural Timorese cannot access markets, hospitals and schools to help their families.

The World Bank, Asian Development Bank and Japan focus on national roads, while Australia works with the new Ministry of Public Works (formerly the Ministry of Infrastructure before the 2012 elections) on rural roads. Timor-Leste’s target for all rural roads to be rehabilitated by locally based contractors to a minimum standard by 2015 will not be met, due in part to insufficient financial and human resources at the Ministry for Public Works.

Australia’s contribution to improve roads in rural areas in 2012 was through R4D (\$30 million from 2012–2015). R4D is Australia’s current major contribution to the rural roads sector in Timor-Leste. It is implemented by the Ministry for Public Works with technical assistance from the International Labour Organization. R4D has a training component combined with capital investments in rural roads works. The program’s design has a focus on integrating gender issues and Australia will monitor this during road construction. R4D trains contractors in social and environmental safeguard compliance (participation and empowerment of women) and community engagement.

An independent monitoring group review in early 2013 found progress under R4D is adequate. Its start-up phase in 2012 focused on improving the institutional environment for reform and human resources required for road building. Rehabilitation of 95 kilometres of roads in seven districts and periodic maintenance of 148 kilometres of roads in six districts commenced in 2012–13. By the end of the program, R4D aims to have rehabilitated 450 kilometres of rural roads, have 700 kilometres under periodic maintenance and 1150 kilometres under routine maintenance. The review recommended that the team leader focus more on government engagement and higher level strategic work, and forming a steering committee to improve coordination. R4D will monitor its impact at the institutional, policy and infrastructure works levels.

The rating is amber because R4D is assisting the new Ministry of Public Works to establish processes for preparing plans, budgets and strategic documents such as a rural roads master plan, human resource management plan and procurement plan. Through effective policy dialogue, R4D was invited to assist the ministry prepare its 2013 action plan and budget proposal. This has resulted in an allocation of USD2.5 million to the ministry as R4D counterpart funding for 2013. The minister has requested Australia, through R4D, provide support to public financial management to secure an increase in budget allocations for rural roads. Roadwork commenced in May 2013. Insufficient Ministry of Public Works resources contributed to R4D delays.

Through R4D, the institutional capacity of partners will be developed gradually as change takes time. In parallel, the delivery of capital investments in rural road works by R4D—implemented with support from the International Labour Organization technical assistance team—aims to demonstrate to key government decision-makers the feasibility of employing local people.

Objective 3

Objective	Current rating	Previous rating
Objective 3: Increased productivity of major staple food crops through farmers using improved seed.	Green	Green

This rating highlights the program's progress toward improving productivity of major food crops. The program is on track to meet its target of 65 000 farmers by 2015 using higher yielding seed varieties. Positive engagement between development partners and the Ministry of Agriculture and Fisheries to improve planning and budget processes led to an increased 2013 budget allocation.

Low agricultural sector funding, poor strategic planning and technical capacity, together with a lack of incentives for agricultural innovation, continue to hamper progress towards the Timor-Leste Government's 2020 food security goal.

The shared goal of achieving food security by 2020 through improved farming practices and boosting productivity of specific crops is challenging for Timor-Leste. Agriculture is largely subsistence, yields are low and food deficits are large. While Timor-Leste may achieve self-sufficiency in maize and various roots and tubers by 2020, this is not likely for rice where a deficit of about 80 000 metric tonnes is projected. Subsidies for rice imports reduce the competitiveness of local rice growers, and importation and distribution of free seeds discourages local seed production. This acts as a disincentive to improvements in innovation and production.

Improved food security will allow Timorese to reduce the impact of the hungry season, improve some of the factors that contribute to malnutrition and stunting in children, avoid some of the high costs of imported food and strengthen income opportunities.

Engagement between donors and the government remains generally positive and productive. Development partners, including Australia, are working with the Ministry of Agriculture and Fisheries to improve planning and budget processes. This engagement has helped the ministry to secure a 2013 budget allocation of USD24.2 million (about 40 per cent greater than the previous year). Development partners are also assisting the ministry access support from the Global Food Security Fund. In early 2013, the Timor-Leste Government established the National Council for Food Security, Food Sovereignty and Nutrition (KONSSANTIL) which is led by the Ministry of Agriculture and Fisheries and the Minister of Health. KONSSANTIL reports to the Prime Minister and highlights the importance given to food security. Australia is a member of the permanent technical secretariat to KONSSANTIL and is also liaising with the Office of the President on improving nutrition.

Australia's contribution to food security is through increased productivity of major staple food crops through farmers using improved seed, which is delivered through our Seeds of Life program. Agricultural productivity is low in Timor-Leste and better seeds are critical to yield increases. Seeds of Life is the largest program in the subsistence sector and in its third phase (\$25 million from 2011–2015). It is managed by the Australian Centre for International Agriculture Research and DFAT in partnership with the Timor-Leste Government. The program, in close partnership with the Ministry of Agriculture and Fisheries, helps farmers access improved varieties of five staple crops: maize, rice, sweet potato, cassava and peanuts. These varieties give yields that are between 20 and 80 per cent better than those previously

available and 90 per cent of farmers growing these improved varieties have reported increased crops.¹³

An additional 11 792 farmers (including 3773 women) started growing Seeds of Life varieties in 2012–13 which is consistent with the target of 10 000 additional farmers each year until 2015.¹⁴ This is a conservative figure and does not include farmers who have obtained Seeds of Life seeds by sharing with neighbours and relatives (on average a farmer may share with one to two other farmers). From Seeds of Life survey data, it is estimated that about 33 000 farmers are routinely using at least one Seeds of Life variety. Progress towards the end of strategy outcome is adequate given the target is 65 000 farmers growing these seed varieties by 2015.

Seeds of Life reaches 11 of Timor-Leste's 13 districts, and the plan is to reach all 13 by July 2013. It has helped formed 680 community seed producer groups that produced 77 mega tonnes of improved variety seeds while contracted formal seed producers produced about 65 mega tonnes in 2012. This represented about 12 per cent of estimated demand for staple crop seed. The program is on track to achieve 1000 community seed producer groups by 2015 that will produce the bulk of Seeds for Life improved varieties in the future. Participation of women as members of the groups has increased to 32 per cent in 2012–13 from 27 per cent in 2011–12. A survey of 343 community seed producer groups in nine districts found that women make-up seven per cent of the group's chiefs, 23 per cent of their secretaries and 26 per cent of their treasurers. In 55 per cent of the 343 community seed producer groups surveyed, a woman is in at least one of these three key positions.

In 2013, households using Seeds of Life varieties will produce about 23 800 tonnes of additional food, based on yield increases and areas planted with improved varieties. The annual survey of farmers participating in on farm research demonstrates a decrease of the proportion of farmers reporting a lack of food during the year, from 38 per cent in 2007–08 to 21 per cent in 2010–11. In March 2013, Seeds of Life partnered with a local non-government organisation HIAM Health to provide basic nutrition training for agriculture staff from the Ministry of Agriculture and Fisheries, international and local non-government organisations. This is part of Seeds of Life's goal to increase awareness and education on the linkages between agriculture, nutrition and food security.

The Ministry of Agriculture and Fisheries, with Seeds of Life assistance, has prepared and submitted a National Seed Policy to the Council of Ministers. When implemented, this policy will encourage local production and distribution of quality seeds. The Timor-Leste Government projects that by 2015, all rice seed and about 70 per cent of maize seed will be produced locally.¹⁵

Apart from improved seed varieties, Seeds of Life is researching other farming practices to increase yields. This includes the use of velvet bean to suppress weeds and add soil nitrogen, fertiliser applications and drip irrigation. The program is considering nutrition sensitive agriculture and the mid-term review planned for July 2013 will recommend adjustments to improve performance.

Seeds of Life does not yet have a social inclusion strategy. The mid-term review will evaluate the quality of social inclusion in its activities to date, including a specific focus on gender and disability. It will recommend how social inclusion can be improved in the remainder of the program.

¹³ Seeds of Life Baseline Survey 2011.

¹⁴ Seeds of Life calculations for headline indicator #18, May 2013.

¹⁵ Presentation by Gil Alves, Director, Crops, Ministry of Agriculture and Fisheries, 11 March 2013.

Objective 4

Objective	Current rating	Previous rating
Objective 4 : More children and youth attain improved learning outcomes and employability	Amber	Red

The improved rating reflects progress on more children gaining access to basic education. Australia's support shifted to schools, partnering with organisations that can deliver services effectively at this level. The technical and vocational training sector made progress, becoming regulated and delivering accredited training. Challenges with low learning outcomes and poor teacher attendance continue. Poor student attendance, over-age enrolment and high repetition remain issues. Geographic disparities and agriculture sector workforce not benefiting from training opportunities persisted in 2012.

Progress was made towards the shared goal 'by 2030, the people of Timor-Leste will be living in a nation where people are educated and knowledgeable, able to live long and productive lives, and have opportunities to access a quality education that will allow them to participate in the economic, social and political development of their nation'. However, it is unlikely that Timor-Leste will achieve Millennium Development Goal 2 by 2015. More children had access to basic education in 2012 and 2013, but learning outcomes are still very low. The technical and vocational training sector is becoming regulated and delivering accredited training, but those working in the largest employment sector, agriculture, are still not benefiting from training opportunities.

National elections resulted in a change in leadership of the Ministry of Education and the Secretariat of State for Professional Training and Employment Policy. This led to policy shifts in language of instruction, and more emphasis on employment.

Australia's contribution to the education and training shared goal is through enabling more children and young people to attain improved learning outcomes and employability. Mixed results of the Education Sector Support Program suggest multi-donor trust funds executed by the Timor-Leste Government are not always the most effective mechanisms for change. This was identified in the 2011 annual program performance report and in 2012 Australia changed our World Bank partnership. The focus is now on analytical and evaluative activities, where the World Bank has a comparative advantage.

In basic education, progress was limited to increases in enrolment. Australia's support enabled an additional 14 219 children to access school in 2012 (of a total of 304 363) through the United Nations Children's Fund Education Quality Improvement Program and the Education Sector Support Program. The high enrolment masks issues such as over-age enrolment, poor teacher and student attendance, high repetition and geographic disparities.

As a result, Australia has changed its focus to improve learning outcomes by targeting support to learning materials and teacher training. Learning achievement is low with less than 30 per cent of students reading at minimum levels. This is due to poorly trained teachers, lack of appropriate learning materials and language of instruction issues. Australia funds Alola Foundation to provide around 94 000 readers in Tetun. Through the Education Quality Improvement Program and the Alola Foundation 1372 teachers have received training. Quality training remains a key challenge however and progress will need to be made to improve student learning.

Social inclusion also remains an issue. While gender parity has been achieved in the early grades, in secondary school female enrolment was 58 per cent compared to 64 per cent male

enrolment.¹⁶ Clearly, children in Timor-Leste face barriers to accessing education. The 2010 census reported that 72 per cent of people with disability in Timor-Leste had never attended school.

Australia helped progress the tertiary vocational education and training sector through the Youth Employment Promotion Program, working with the International Labour Organization as the implementing agency. We contributed to the government’s commitment of 8400 quality training places a year with 1923 students enrolled over the reporting period. The first cohort of 1859 students graduated from registered training institutions with accredited qualifications, almost half of who were girls. Almost half of all students enrolled in accredited and registered training over the reporting period were girls. A comprehensive policy and legal framework has been established and a technical and vocational training strategic plan was developed.

In 2012, Australia provided 22 Australia Awards to recipients from Timor-Leste, which is down from 30 in 2011. This was due to a higher level of English requirement and more rigorous entry criteria in the selection process, rather than a reduction of the awards available. Australia Award alumni reduce professional skill shortages in Timor-Leste¹⁷ that are essential for the country to meet its goals under its strategic development plan. In 2012, DFAT worked to reduce award duplication between the department, NZAID and the Timor-Leste Government, and to identify areas of priority study such as civil, electrical and mechanical engineering. Gender and geographic equity were considered. Ten scholarships were awarded to Dili-based candidates, and 12 were drawn from seven other districts. However, alumni reports suggest the majority of returning students seek and attain work in Dili.

Table 4: Australia Awards provided in 2012 for commencement in 2013

	Master	Bachelor	Graduate diploma
Female	4	6	0
Male	7	4	1

Australia’s support in education has shifted to schools. This has led to partnerships with organisations that can deliver services effectively at this level, such as the Alola Foundation. However, much of Australia’s support in technical and vocational training continues to be in system strengthening and supply-driven training. There is still a gap in areas where training or skills acquisition could result in better standards of living, such as subsistence agriculture.

Australia continued to deliver much of its program through multilateral organisations. The Youth Employment Promotion Programme, implemented by the International Labour Organization, was completed in December 2012 with adequate progress concluded by independent evaluation. Its successor—the Training and Employment Support Program program, also with International Labour Organization—commenced in January 2013.

In 2012–13, Australia commissioned research on education in Timor-Leste to inform new education and scholarship designs. A disability-inclusive education situational analysis was undertaken in November 2011 by sector specialists who included people with disability as part of the analysis team. In partnership with the World Bank and Ministry of Education, a comprehensive education survey was conducted covering every school in Timor-Leste. The findings of this will provide a better understanding of the challenges and needs at the school level. With Australia’s funding, Timor-Leste’s Secretariat of State for Professional Training

¹⁶ Publication 3, Government of Timor-Leste, 2010, p.xvi.

¹⁷ The 2010 Census in Timor-Leste reports that four per cent of the population aged five years and over had reached a level of education equivalent to either polytechnic or diploma qualification or a university qualification. When compared with results from other countries, this suggests there is unsatisfied demand for higher education in Timor-Leste.

and Employment Policy has commenced a labour force survey to understand labour market dynamics.

Objective 5

Objective	Current rating	Previous rating
Objective 5: Households, especially the most vulnerable, increasingly practice behaviours that are conducive to better maternal and child health and nutrition, and use reproductive, maternal, newborn and child health services	Red	Red

Despite considerable work in 2012 to realign and consolidate Australia's health portfolio to better support Timor-Leste Government maternal and child health objectives, Australia's progress is rated red as this has not yet translated into household behaviour change. Expected progress on designing a new program that strategically targets maternal and child health has been slower than anticipated. Malnutrition is a serious concern in Timor-Leste for children and the population more broadly, and we are addressing the health-related factors through our program.

Australia's contribution to the health shared goal is through households, especially the most vulnerable, increasingly practicing behaviours that are conducive to better maternal and child health and nutrition, and using reproductive, maternal, newborn and child health services. Australia invested more than \$7 million in health programs in 2012–13, making it the largest bilateral health funder. Australia funds three main programs:

- > a multi-donor trust fund for health systems strengthening managed by the World Bank
- > support to surgical services delivered by the Royal Australasian College of Surgeons
- > support through Health Alliance International and Marie Stopes International to increase access to public sector reproductive, maternal and newborn care.

Progress toward our objective slowed in the health sector following elections last year. A new Minister of Health restructured the Ministry of Health and put new people into key positions. The ministry's budget rose from USD49.9 million in 2012 to USD61.5 million in 2013, representing an increase of 23 per cent in one year. The ministry needs to use additional resources more effectively to ensure better health outcomes.

In addition to restructuring the ministry, the semi-autonomous drug procurement agency was disbanded in 2012. Implications for procurement of medical supplies are adverse and far reaching. The challenge is intensified by the return of 400 Cuban trained doctors to Timor-Leste in 2013 because this welcome boost to the health workforce also drives up demand for drugs and supplies. While costs of employing these doctors are covered by the Ministry of Health's budget, plans to deploy, equip and manage them remain unclear.

Our health portfolio was consolidated during the year to refocus on maternal and child health and to align with Timor-Leste's strategic development plan. The Health Sector Strategic Plan Support Program was restructured to manage fewer activities more effectively, improving public financial management and human resources. The World Bank addressed weaknesses in project management while Australia increased its oversight of the program and took the lead in policy engagement. Although low capacity for implementation continues to hamper effectiveness, this program helped the Ministry of Health to develop its 2012 and 2013 budgets and to prepare the first monitoring and evaluation framework for the sector. Through this program, our funding enabled 475 mobile clinics to provide prenatal care, malnutrition screening, health promotion on nutrition and breast feeding, hygiene education and basic curative services to more than 300 000 people, most of who were mothers and children. The clinics go to areas that are difficult to access with much needed services.

The Australia–Timor-Leste Program for Assistance Secondary Services entered a new phase during the year, transitioning from direct service provision to developing the capacity of Timorese specialists to conduct priority secondary surgical services that mitigate trauma and disability. The program now includes obstetric and paediatric care, which are vital to maternal and neonatal survival. The program has enrolled 12 trainee doctors (three women) in post graduate surgical training, including obstetrics and anaesthetics, at the national university. The new phase of support was developed with the Ministry of Health before the election and further work is needed to align the program with the ministry’s long-term resource plans.

Australia’s Safe Motherhood Program is helping communities better understand the benefits of reproductive, maternal and child health services for improving the health of mothers and babies. It does this by providing services at 459 monthly health clinics, 1115 health facilities and 349 outreach visits to under-served areas. This is vital because contraceptive prevalence is only 21 per cent. One-third of married women have an unmet need for family planning, and each woman has on average 5.7 children. Australian support enabled 43 328 people to receive family planning counselling and services, and 6151 callers (80 per cent of who were young men) to access a reproductive health information line between January and July 2012. The coverage of services was less than expected in 2012 due to delays caused by the national elections.

Australia commissioned an analysis on health sector financing and human resources to inform our health delivery strategy. Policy dialogue on issues such as transport reform, and engaging the Ministry of Health in joint design of a new program of Australian support were a priority. The new joint health concept note will guide the design phase in 2013–14. A priority of the design will be working with partners to improve monitoring of existing programs to better capture how services are translating to changes in behaviour. Specific barriers to accessing health services by people with disability to enable their active participation in society will be considered in the new health program design through a joint disability organisation, Ministry of Health and DFAT situational analysis.

Objective 6

Objective	Current rating	Previous rating
Objective 6: Police service effective and accountable in supporting rule of law	Green	Green

This rating reflects the solid progress Policia Nacional de Timor-Leste has made in 2012–13 in developing its skills and implementing its knowledge in the workplace. However, supporting ongoing development through training is a long-term process. Constraints need to be addressed in 2013 to ensure the police can provide effective operational capacity across key policing functions.

Australia’s contribution to the security shared goal is through ‘Police service is effective and accountable in supporting rule of law’, which is delivered through the Australian Federal Police-implemented Timor-Leste Police Development Program (AFP-TLPDP) and justice activities addressing violence against women. AFP-TLPDP supports the development of Timor-Leste’s police force, Policia Nacional de Timor-Leste (PNTL) and assists the Office of the Secretary of State Security and the Office of the Prosecutor-General.

In 2012–13 adequate progress was made by the Timor-Leste Government, PNTL and the Australian Federal Police towards creating an ‘effective and accountable police service’. AFP-TLPDP is focusing on seven priority outcomes for the 2010–2014 program that align to the strategic development plan:

- > a police training centre

- > PNTL supervision and management
- > PNTL governance
- > PNTL investigations capability
- > improved PNTL operational capacity
- > gender equality
- > provision of sufficient and appropriate training, systems development, infrastructure and enabling tools to support capacity development of the PNTL.

The smooth transition following the withdrawal of the United Nations Integrated Mission in East Timor in December 2012 and full resumption of responsibilities by PNTL was supported by the AFP-TLPDP, which worked with United Nations Police and the PNTL to identify capacity constraints and provide support where needed. AFP-TLPDP activities strengthened PNTL governance and the PNTL Comandante-Geral in 2013 is working closely with AFP-TLPDP to address gaps in PNTL capacity.

A priority for the Timor-Leste Government in 2012 was career progression and promotions, which was supported by AFP-TLPDP. The Exceptional Promotions Decree Law (22/2012) was passed allowing for 1360 PNTL officers to be promoted. This was conducted independently to ensure accountability and a merit based approach. In February 2013, 249 PNTL probationary officers graduated and were transferred to their assigned operational areas throughout Timor-Leste.

Australia supported change leading to a more effective and accountable PNTL by training and mentoring 934 police and other law and order officials during the reporting period:

Since 2011, 74 per cent of the PNTL's senior executive were or are being trained in the 12-month Diploma of Executive Police Management (47 per cent trained during the 2012–13 reporting period, 27 per cent trained in 2011).

District assessments indicate the participants are implementing course elements such as section audits, improving the use of resources and accountability into district commands, better personnel file management, better use of formal procedures and laws, improved administrative systems within district commands, better meeting processes including formal meetings with set agendas, minutes and action items, and drafting guidelines to decentralise PNTL budgets from Finance in Dili to district/unit commanders.

The Timor-Leste Prosecutor General has commented that the quality of files presented to the Office of the Prosecutor-General from PNTL has improved, as has the relationship between the two organisations, due to the influence of TLPDP investigations training. Staff have observed, and the AFP-TLPDP has verified through district visits, that the PNTL is now more proactive in its approach to investigations, actively seeking delegation rather than waiting for guidance from the Office of the Prosecutor-General.

The Timor-Leste Government, with the department and the AFP-TLPDP, implemented a database system in the PNTL for case tracking and incident management. This cross-agency database enables justice institutions to track and report accurately on cases, helping improve transparency and coordination.

Evidence of implementation of AFP-TLPDP initiatives in the workplace, measured through quantitative and qualitative analysis, reflects AFP-TLPDP's targeted improvement efforts at key points of influence within the PNTL, including executive leadership and management, governance and investigations. Further support for pro-active policing patrol programs and assistance with gender based issues have improved perceptions at the PNTL-community interface. This improvement in management practices and key policing skills provides a

promising indication of the overall improvement of the capacity of the PNTL to be effective and accountable in enforcing rule of law.

Ending violence against women

Violence against women in Timor-Leste is widespread. In 2009, 38 per cent of women reported they had experienced physical violence in their lifetime, primarily by their husband or partner. This is likely to be under-reported. Although there is a lack of evidence for Timor-Leste, global studies indicate that women with disability are two to three times more likely to experience physical and sexual abuse than women without.¹⁸

In 2012, Timor-Leste continued to develop a sound legal and policy base to end violence against women with the adoption of a national action plan on gender-based violence to support implementation of the domestic violence law.

In 2012–13 Australia’s contribution to the justice sector in Timor-Leste through the Justice Sector Support Facility focused on addressing violence against women. The Justice Facility provided direct support through 14 grants to civil society organisations engaged in preventing violence against women and ensuring those affected have access to justice and support services.

The Timor-Leste Government provides some funding for civil society organisations but their services continue to be dependent on donor funding, with Australia the key donor. Between 1 January and 31 December 2012, 1349 women survivors of violence received specialised services as a result of Australia’s support. Although this number represents less than two per cent of women estimated to have experienced violence in 2012, it is adequate progress given the challenges involved in increasing the reach of services. In 2012–13 Australia committed resources to address these challenges by developing an ending violence against women concept for a proposed eight year program. The domestic violence law, introduced in 2010, along with these services plays an important role in changing the widely held view that violence against women is acceptable.

Gender equality has been a focus of the AFP-TLPDP program over the reporting period. As a result, more training opportunities have been delivered for women in policing, safe houses have been refurbished and supported, gender based violence training support has been provided to the PNTL, and the role of women in policing has been more widely promoted.

Objective 7: Public sector management and good governance

Objective	Current rating	Previous rating
Objective 7: Poverty reduction in Timor-Leste through economic development and delivery of services	Green	Amber

The improved rating reflects strengthening the core capacity of central agencies in parallel to a prolonged design phase to position Australia as a trusted, responsive partner during 2012. This approach has resulted in improvements in the relevance of Australia’s governance program in Timor-Leste. Key challenges affecting Australia’s progress such as slow government formation after the 2012 elections were seen as opportunities for better consultation on the new Governance for Development program design.

¹⁸ Stephanie Ortoleva and Hope Lewis, 2012, *Forgotten sisters: a report on violence against women with disabilities: an overview of its nature, scope, causes and consequences*, School of Law Faculty Publications, Paper 184.

Australia's contribution to the public sector management and good governance shared goal is through our strategy objective 'Poverty reduction in Timor-Leste through economic development and delivery of services', which we are achieving through our Governance for Development program.

Governance for Development's objectives are to:

- > support Timor-Leste's central agency systems to enable service delivery
- > enable Timor-Leste's economic development policies to be informed by quality advice and analysis
- > help community committees to plan, implement and maintain small infrastructure with broad community participation.

Over the past 18 months, Australia has developed new programs to support Timor-Leste's governance sector and strengthened the capacity of central agencies. This foundational work supports central ministries and agencies to have a more direct impact on reducing poverty. Spending on governance increased in 2012–13 because Australia also supported the Timor-Leste Government's Program for Village Development.

Australia assisted the Ministry of Finance to:

- > finalise its 20 and five year strategic plans
- > improve budgeting and planning for projects that span more than one year (such as infrastructure)
- > improve the system to move unspent funds between financial years
- > reduce the amount of work for finance officers by allowing unpaid bills of the state to be automatically rolled over into the new budget year
- > introduce automated bank reconciliations.

All of these reforms will free up time for finance officers to focus on helping service delivery agencies improve their financial management practices. The department also supported the National Directorate of Statistics to carry out its Consumer Price Index 2012 (which had not been updated since 2001) and Business Activity Survey 2011.

Help was provided to the Timorese Civil Service Commission to review laws and policies for civil service training and gender equality. We also supported the Major Projects Secretariat to appraise all 17 large infrastructure projects proposed during 2012, and to assess their feasibility and likely economic return. These appraisals were considered in the 2013 budget process. Australia supported the National Procurement Commission with an agent to help its procurement and has begun working with the National Development Agency to improve its effectiveness.

Our governance program assisted the Ministry of State Administration to start the National Program for Village Development, which will provide government grants of USD50 000 to USD75 000 to every village in Timor-Leste. A field test of the program will be supported in 2013 as well as the full program roll-out in 2014. These grants will be used to build new irrigation channels and small bridges, and to refurbish existing water systems, schools and health posts. Australia also commenced training the 400 facilitators who will assist communities to plan, build and maintain this infrastructure.

Across key central agencies, there has been a substantial increase in the level of buy-in, engagement and trust of Australia as a partner. This has been reflected in a much deeper policy dialogue with the Ministries of Finance and State Administration and the Civil Service Commission, evidenced by agreement to a more flexible budget support arrangement at

Finance, helping to design the National Program for Village Development, and a joint strategic review at the Civil Service Commission.

The program design requires the active participation of female community members in National Program for Village Development village committees and during program planning and implementation. The department has worked with the Timor-Leste Government to ensure that at least 40 per cent of community facilitators are women and will monitor the participation of women during the program's implementation. We will also work with the Timor-Leste Government and communities to improve the participation of women.

During the year Australia supported and increased engagement with the Disability Working Group, the national representative and coordinating body for people with disability in Timor-Leste. Our support is helping to build and maintain linkages between the disability sector and government as well as Australia, and ensuring people with disability are active contributors to decision making. The Disability Working Group has helped ensure that National Program for Village Development facilitator training materials are disability-inclusive.

There are some challenges affecting progress. Australia continued to support the strengthening of Timor-Leste's public financial management systems in partnership with the World Bank. We are transitioning to context-appropriate delivery mechanisms within the World Bank including a country-level trust fund to support analytical and advisory services.

Australia responded to the dynamic environment post-election by extending the timetable for the development of Governance for Development program design to 2013. We have maintained clear objectives, while being flexible in how we achieve these. The Timor-Leste Government has a strong desire to deliver tangible results to its people. This has resulted in pressure on ministries to deliver programs quickly. With Australia's support, the government has tried to balance this pressure. It has allowed time to design the National Program for Village Development, establish the corporate systems required to run it, train facilitators and test the effectiveness of the program in the field before moving to full implementation.

Program management – Quality at Implementation (QAI) ratings

Quality at Implementation ratings are performance measures of our programs undertaken by DFAT staff. In 2012–13, the Timor-Leste program invested resources in an Evaluation Capacity Building program to further develop program managers' ability to make credible assessments of the adequacy of progress for programs they manage.

QAI results reflect that the Timor-Leste program is nearing completion of a significant re-design phase. New programs are more strategically pitched, with clearer outcomes and adequate resourcing for monitoring and evaluation. We are experiencing a major turnaround in portfolio relevance. Over the last two years, the percentage of highly relevant (5–6) programs has more than doubled, and the percentage of less relevant programs (1–3) has dropped to just five per cent.

Most of the programs with low scores for effectiveness are ending. A small number of ongoing or new programs need design support. Over the last two years, the percentage of programs rated unsatisfactory (1–3) has halved to 15 per cent, with a corresponding increase in the percentage of moderately effective programs (4).

We've made some improvement on sustainability, but still require focused effort to improve. The percentage of highly sustainable programs increased from zero to 20 per cent over two years. The percentage of programs with low sustainability rating dropped by two thirds this year, but still amounts to one in five programs. Most cite difficulties balancing capacity development with capacity substitution. Sixty per cent of programs are moderately able to be maintained.

Efficiency remains an area for improvement. Over the past two years, the percentage of inefficient programs has dropped, but the percentage of programs rated highly efficient has dropped also. For weaker programs, common issues include dysfunctional program coordination mechanisms, and cumbersome interaction between Timor-Leste Government and multilateral systems.

There have been slight improvements to monitoring and evaluation, but this is still our worst rated criterion with program managers having to supplement frameworks with alternative credible sources of information to rate other QAI criteria. Over the past two years, there has been a slight shift toward the adequate level (4). Ratings have improved since they dropped markedly last year. Four unsatisfactory programs are ongoing and currently receiving support to design or reform their monitoring and evaluation systems.

Improving gender equality in our weaker programs has been challenging. Over the past year, there has been a reduction in unsatisfactory programs (1–3) and a similar increase in programs rated adequate (4). But programs with high ratings (5–6) have also lowered.

The 2011 annual program performance review found that very few quality assessments mentioned disability. We have improved this in our 2012 reports, with 14 of 22 quality reports considering the quality of disability inclusion.

Social inclusion – Australia’s approach in Timor-Leste

Australia adopts a mainstreaming approach to social inclusion—the inclusion of women, girls and boys, people with disability and other marginalised groups—to improve progress toward all sector objectives. For example, our BESIK program integrates social inclusion into water and sanitation policy formulation, national guidelines, technical guides, training curricula and manuals for community engagement for water and sanitation. By engaging with disability organisations at national and district levels, BESIK is supporting water and sanitation stakeholder awareness. An impact assessment in May 2012 interviewed 43 people with disability and 14 nominated being able to shower more regularly as a significant benefit, while many nominated having a toilet close by as a significant change in their lives.

The Australian Government supports people with disability to undertake Australia Awards at Australian institutions. In 2012–13, one out of 22 students had disability. This is a good result for Timor-Leste as low English levels and high International English Language Testing System score requirements limit suitable applicants.

In 2012–13, the Timor-Leste program worked in a more targeted way to give better attention to gender. Australia commissioned a gender and disability situation analysis for Timor-Leste to inform and influence our new education and health designs. A desktop review of gender was commissioned by the department to inform the country situation analysis and a gender working group was established to contribute to the development of the new country strategy.

The program resourced an ending violence against women concept for a proposed eight-year program that includes a gender situation analysis. For a more targeted approach to gender, a gender coordinator at Dili Post and in Canberra were resourced. The program has committed to undertake a gender stocktake in 2013–14 and to consider preparing a gender action plan for Timor-Leste. Through policy dialogue on women’s empowerment, the department has advocated with the Ministry of Health to meet demand for family planning, our Justice Sector Support Facility justice program engaged in advocacy with the Ministry of Social Solidarity for women’s access to justice, and our Roads for Development program advocated for access to paid employment for women. In addition, the Australian Government funded Australian volunteers through our global programs including a planned disability support worker in Balide and gender support officers in Baucau and Liquica.

2012 management consequences

Most significant risks

Lapsing country strategy and interim performance framework limited to reporting on sector outcomes rather than cross strategy and country-level outcomes.

Government reduces engagement in Australian programs and as a result programs are delayed or lack relevance.

Basic standards for adviser recruitment and management as described in the 2010 Timor-Leste adviser review not met.

Poor child nutrition impacts development outcomes in every sector.

Poor governance impacts on service delivery and achievement of sector development outcomes.

Progress toward achieving sector program development outcomes inadequate due to gender barriers and non-inclusive development practices.

Poor quality monitoring and evaluation products impact on quality of the aid program.

Programs do not fully understand, or support, civil society engagement.

Management response – What? Who? How? When?

Finalise a country strategy and performance framework by December 2013.

High-level partnership talks between Australia and Timor-Leste, which review achievements and agree annual targets.

Achievement of basic standards for adviser recruitment and management as described in the 2010 Timor-Leste Adviser Review.

Develop a coherent approach to food and nutrition security that exploits linkages between our health, education, water and sanitation, and agriculture programs. Refocus our major programs to directly benefit nutrition. Support National Nutrition Survey and advocacy.

Develop a budget engagement strategy. Finalise the policy enabling delivery strategy by August 2013, then agree and resource an activity plan by December 2013.

Undertake a gender stocktake and action plan by December 2013 linked to a gender outcome in the new country strategy by 2014. Continue inclusive development analysis to understand barriers to people with disability to influence design and implementation of programs.

90 per cent of priority monitoring and evaluation products quality assured by the Evaluation Capacity Building Program during 2013–14.

Finalise the 2012 independent civil society organisation review and implement key recommendations.

Sector program: most significant risks**Objective 1: Water, sanitation and hygiene**

Increased investment in rural water systems wasted as systems breakdown and because of limited community and government capacity. Increasing sanitation in rural areas faces risk that households will not want to invest in an improved toilet, leading to households returning to open defecation.

Low motivation of civil servants due to poor resourcing, realistic challenges to transition to a service delivery and policy development, confusion on roles with other line ministries (e.g. National Program for Village Development, water resources management).

Objective 2: Rural roads

Poor coordination between government agencies in the rural roads sector leading to inconsistencies in planning and implementation of road works, poor quality of roads and marginalisation of the role of Ministry of Public Works.

Weak institutional capacity in Ministry of Public Works and road contractors limits the quality of R4D implementation.

Objective 3: Agriculture

Ministry of Agriculture and Fisheries capacity remains weak and inadequate resources are allocated to take greater budget and operational responsibility for the research and formal seed production activities of Seeds of Life.

Analysis and design development for post-Seeds of Life 3 delayed.

Objective 4: Education and training

Weak monitoring and evaluation system and low quality products result in poor management of Australia's new education program.

Ministry of Education and Secretariat for Policy, Professional Training and Employment do not have ownership of the new education program.

Timor-Leste Government funding to the education and training sector may decrease as Australia increases funding.

Management response – What? Who? How? When?

BESIK will work closely with the Timor-Leste Government to institutionalise operation and maintenance by increasing community and government capacity to prevent and respond to breakdowns in a timely manner. BESIK will work with government and stakeholders on communication campaigns around household responsibility to build a toilet and have affordable sanitation products available in rural areas.

BESIK will be analytical in identifying the bottlenecks, barriers and de-motivating factors and through policy dialogue with government – including central agencies – and building partnerships –including resourcing for civil servants –and through gaining recognition for their work.

Australia Minister Counsellor and International Labour Organization Country Head continue to intensify engagement with the Minister of Public Works. This will include a meeting in 2013 to discuss the recommendations of the first independent monitoring group and formation of the program steering committee. Identify through policy dialogue at the working level actions to improve effectiveness of coordination.

R4D implements a staged approach to support Ministry of Public Works development, and reviews its contractor training modules after the first cycle of road works in 2013.

The department will increase engagement with the ministry on budget planning in 2014. Seeds of Life team leader to continue regular engagement with the ministry's director general to ensure sufficient inputs provided for the 2014 budget planning process.

Commence design theory of change first quarter 2013–14.

In 2013 the department will develop a comprehensive and rigorous monitoring and evaluation framework for the education and training program to identify issues early.

DFAT will better communicate the work of Australia with the government, partners and communities, and engage with the government to identify key priorities and challenges.

DFAT will devise a budget engagement strategy, and undertake regular analysis to inform discussions. DFAT will support Ministry of Education and Secretariat for Policy, Professional Training and Employment to engage with the Ministry of Finance.

Objective 5: Health

Ministry of Health restructure continues to generate uncertainty and impacts on capacity to engage with Australia in the joint design of a new program.

Cross cutting issues including gender, nutrition and disability are not integrated into the health portfolio.

Poor monitoring and evaluation across our health programs and the health sector limits the ability to make evidence based decisions to improve sector performance.

Australia-Timor-Leste Program for Assistance Secondary Services and National Health Sector Strategic Plan Support Program at risk of reduced effectiveness.

Objective 6: Security

The ability and willingness of the Policia Nacional de Timor-Leste to sustain training delivery standards, implement skills learnt and to develop and implement effective systems is still a key risk to the police force and the AFP-TLPDP.

Donor competitiveness and the lack of effective donor coordination continue to result in a degree of donor shopping, short cut solutions and duplication. This can complicate the sustainment of strategic direction.

Violence against women and barriers to gender equality limit development progress.

The Director Health and Education and the Senior Health Specialist jointly design the new health program with ministry staff.

The DFAT health design team and the nutrition, disability and gender focal points will participate in cross-cutting working groups and coordinate with other sectors to improve nutrition, gender equality and disability. The team will work with the government and development partners to raise the profile of these cross-cutting issues and advocate for evidence based interventions.

We will strengthen monitoring and evaluation to improve performance. We will use monitoring and evaluation to encourage the Ministry of Health to use the sector monitoring and evaluation framework to make informed decisions. We will support development of monitoring and evaluation skills through the Evaluation Capacity Building Program.

Close monitoring of these programs, identify management issues, undertake policy dialogue with the Ministry of Health to improve adequacy of progress.

Continue evaluating Policia Nacional de Timor-Leste progress and AFP-TLPDP effectiveness. This includes continuous improvement processes through reassessment of activity plans, quarterly evaluations and reviewing alignment of the program with the Timor-Leste Government. AFP-TLPDP will conduct an independent review of the current program in 2013, to inform its design for the new funding cycle in 2014. Continue to advocate for Policia Nacional de Timor-Leste commitment to higher levels of management training and maintain appointment of AFP-TLPDP advisors to assist with the provision of management skills.

Conduct executive police management programs, three levels of investigations training, complete ongoing training centre infrastructure development, strengthen key areas in governance, and accreditation of the police training centre and its programs, further strengthen the incident management system, and implement and deliver gender equality programs.

Work with National Directorate of Aid Effectiveness and other development partners to look at new structures for effective donor coordination. AFP-TLPDP meets weekly/monthly with other donors and the government to coordinate delivery of aid to police.

Implement a new program of support for ending violence against women. Align this with the objectives of Timor-Leste's National Action Plan on Gender-Based Violence. Better reflect the Australian aid program's commitment to gender equality and women's empowerment in the partnership agreement.

Objective 7: Public sector management and good governance

Failure to deliver effectively on support for the new Economic Planning and Investment Agency limits the effectiveness of achievements against Objective II – Timor-Leste’s economic development policies to be informed by quality advice and analysis.

The department does not have sufficiently skilled and qualified personnel to support the effective direct implementation of the Governance for Development Program. This limits progress towards governance development outcomes and impacts Australia’s reputation.

Potential for decentralisation reform to change the way DFAT support for services are delivered across the country.

Ensure that Governance for Development prioritises this request and dedicates sufficient and appropriate resources to effectively meet this.

DFAT management will work with the internal workforce planning area to develop strategies for a pipeline of appropriately skilled and experienced personnel to implement the new governance programs.

Australia’s Governance for Development Program will support new partnerships in 2013 with the World Bank and The Asia Foundation to build our understanding of the Timorese context and secure relevant expertise to the country program.

Australia will monitor decentralisation developments closely to ensure the aid program is well placed to respond to potentially rapid reforms to decentralisation.

Annex A: progress in addressing 2011 management consequences

Management consequences Identified in 2011 APPR	Rating	Progress made in 2012–13
Establish a performance framework linked to the principles of partnership and objectives agreed to in the Strategic Planning Agreement for Development 2011 and discuss these with the Timor-Leste Government in a high-level dialogue in 2012.	Amber	Interim performance assessment framework piloted with 2012 annual program performance review reporting. Delayed partnership reporting led to partnership dialogue pushed back to June 2013.
Undertake a new country situation analysis after the parliamentary elections in July 2012. This will update our understanding of the country context, including an insight into critical development factors such as gender, disability, fragility and the environment, and clearly set out the higher order outcomes and strategies underpinning our sectoral engagement.	Green	Country situation analysis drafted ready for whole-of-government endorsement by 2013.
Undertake a joint assessment of World Bank Trust Fund mechanisms in Timor-Leste that will identify the strengths we can focus on, and how we can jointly compliment weaknesses with other innovative approaches.	Amber	The Education Sector Support Program evaluation in 2013–14 will focus on the appropriateness of the World Bank recipient-executed trust fund mechanism. Australia and the World Bank have also agreed on an alternative country-level, World Bank executed Trust Fund mechanism through which future support will be channelled. This is in line with the bank's analytical and advisory services strengths.
Develop engagement strategies, such as in budget and policy engagement that allows the program team to better use meetings with government officials and support higher-level partnership goals.	Amber	Some sectors developed policy engagement strategies as part of investment design processes in 2012–13. The Governance for Development program team will develop budget engagement strategies for key sectors in 2013–14.
Engage a senior capacity development consultant to provide short inputs across the program to ensure appropriate application of capacity development frameworks, and achievement of basic standards for adviser recruitment and management as described in the Australia 2010 Timor-Leste Adviser Review.	Amber	Not achieved. The expiry of period offers made access to highly qualified capacity development specialists difficult. Instead, various designs drew on Australia's guidance on staged capacity building approaches, and these are now being applied in programs at inception stage. Limited progress has been made on institutionalising standards for adviser recruitment and management
Commence a three to five year monitoring and evaluation capacity program to improve the quality of monitoring and evaluation across the program and institutionalise the capacity to maintain it.	Green	Achieved.

Sector management consequences Identified In 2011 APPR

<i>Objective 1: Water supply, sanitation and hygiene sector</i>	<i>Rating</i>	<i>Progress made in 2012–13</i>
Revise our strategy for engaging with government. This will include recruiting a water and sanitation specialist program director who will lead Australia's policy and operational engagement with government and development partners in the sector.	Green	Water and Sanitation Program Director recruited and commenced duties during initiation of BESIK2.
Establish an effective program steering committee with the Timor-Leste Government to support strategic oversight of the next phase of Australian support.	Amber	Program steering committee has not been established. Negotiations with the new Minister of Public Works and the new Secretary of State are ongoing for an alternative mechanism.
Undertake a fiduciary risk assessment to progress greater use of government systems.	Amber	It was decided to postpone this while BESIK2 establishes its team and program. A public financial management adviser was recruited in 2013 to support a future fiduciary risk assessment.
Commence sanitation trials, increase engagement and assistance to the Ministry of Health and support progress toward sanitation and hygiene targets.	Green	BESIK assisted the Ministry of Health to recruit 15 pilot sanitarians in April 2013 and their training commenced in May 2013. They will work in Baucau, Bobonaro and Liquica and are the main element in efforts to help the ministry achieve sanitation and hygiene targets.
Continue to provide technical assistance to the Ministry of Infrastructure and Ministry of Health to bid for increased budget allocations from Ministry of Finance.	Green	BESIK2 has recruited a public financial management adviser to work closely with the Ministry of Public Works. The adviser will play a major role in budget planning processes for the Ministries of Public Works and Health. District level budgets for water and sanitation have increased 300 per cent, a key area of BESIK policy dialogue, and there is a commitment to recruit operations and maintenance managers by 2014.
<i>Objective 2: Roads sector</i>	<i>Rating</i>	<i>Progress made in 2012–13</i>
Ensure the program strengthens the capacity of the Ministry of Infrastructure to sustainably rehabilitate and maintain rural roads.	Amber	The Ministry of Infrastructure restructured after the 2012 elections and part of it became the Ministry of Public Works. With a new minister and a change of the director of roads in December 2012, it has been challenging for R4D to engage effectively with the Ministry of Public Works. This has improved greatly in 2013 with regular meetings with the minister. R4D is now recruiting district engineers directly to increase resources in the ministry with a plan that they transition into civil servants later. The training focus has been on civil works contractors but R4D has developed a draft training plan for the Ministry of Public Works.
Monitor the relationship progress between Australia, the International Labour Organization and Ministry of Infrastructure during the R4D design process.	Green	This was done and the R4D design was accepted by the Minister of Infrastructure.
Assist the government to finalise a rural roads master plan based on the plan developed by the European Union.	Amber	This has not been prioritised and instead the focus has been on preparing and rolling out road rehabilitation works in time for the 2013 dry season. R4D is however in discussion with Ministry of Public Works about the finalisation of the master plan.
Encourage improved resourcing of this sector with the Ministry of Infrastructure and the Ministry of	Green	Close engagement with the Ministry of Public Works during preparation of the 2013 budget

Sector management consequences Identified In 2011 APPR

Finance. The R4D program steering committee will work to influence policy and budgeting across the roads sector.

Undertake an independent evaluation of the Infrastructure Technical Assistance program in 2012 to gather lessons for training approaches and to inform programs implemented through the Ministry of Infrastructure.

Objective 3: Agriculture sector

Work closely with the Ministry of Agriculture and Fisheries and Ministry of Finance on forward planning mechanisms for the budget and staff required to sustain the Seeds of Life program.

Identify, in consultation with the Ministry of Finance and other donors, opportunities to broaden the scope of Seeds of Life to make a greater contribution to food security. This could include options for other forms of engagement with the sector, particularly around agricultural inputs and agronomic practices to improve productivity.

Objective 4: Education and training

Ensure a stronger focus on schools by providing school materials, building and rehabilitating classrooms and water, sanitation and hygiene facilities, and supporting teacher training.

Finalise an in-depth situational analysis of the sector, including a survey of all schools in Timor-Leste.

Strengthen policy and operational engagement with the government and development partners, including through regular consultation, participation in joint fora, monitoring visits and part-time location of Australian officers at the Ministry of Education.

Continue to develop the education expertise of the team as aligned with the specialist development streams in Australia's workforce plan through a combination of training, mentoring and exposure to relevant experience.

Objective 5: Health

Work closely with the Timor-Leste Government and key development partners to design a large new, longer-term program to further strengthen demand and supply sides of the health system to improve maternal and child health.

resulted in an allocation of USD2.5 million for rural roads.

Green

An independent completion report was prepared in July 2012. The terms of reference included evaluating the impact of training during the program and lessons learnt. This has contributed to improving the approach taken by R4D.

Rating

Progress made in 2012-13

Amber

Seeds of Life assisted the Ministry of Agriculture and Fisheries to convene a development partners support group and contributed to planning for the 2013 budget request. This resulted in a 40 per cent increase in the ministry's budget for 2013. It is yet to be seen if this will result in improved staffing resources of adequate competency.

Amber

Seeds of Life has run trials to investigate the affect of fertiliser applications and velvet bean as a cover crop to increase productivity. The mid-term review will evaluate these efforts and make recommendations for future application. Seeds of Life is supporting the Ministry of Agriculture and Fisheries to develop a district planning approach, which will improve agricultural planning. The Seeds of Life climate change adviser has set up 19 weather stations to improve availability of weather data.

Rating

Progress made in 2012-13

Amber

Australia's programs with the United Nations Children's Fund and the Aloia Foundation are beginning to deliver results with regard to these areas, although there is still some way to go. Australia's new program of support has explicitly adopted this focus for its outcomes.

Green

The school survey has been completed, and preliminary analysis is being conducted on data. The situational analysis has been finalised, but not yet publicly released.

Green

Australian staff were collocated for a period within the Ministry of Education and Secretariat of State for Vocational Training Policy and Employment. Staff participated in government planning sessions, regularly attended donor coordination meetings, and engaged with senior leadership on strategic issues, including the new education and training program.

Green

Australian education staff participate in the education community of practice and are currently undertaking mentoring with education specialists. The education team has participated in the design of Australia's new program. This includes comprehensive field mentoring.

Rating

Progress made in 2012-13

Red

Changes within the Ministry of Health have delayed joint design work.

Sector management consequences Identified In 2011 APPR

Work more closely, during the design process, with Australian teams in water and sanitation, education, food security, governance and community-driven development to improve health and nutrition.	Green	We are using focal points, participating in other sectors' designs and evaluations (BESIK, Governance for Development), and establishing cross-sectoral working groups.
Undertake rigorous quality processes for new programs including presenting the concept at the Strategic Programming Committee in October 2012.	Green	Concept was developed and approved.
Undertake joint monthly monitoring visits with the Ministry of Health to enhance shared understanding of how the health system is functioning, and to inform and ensure credibility in our policy discussions.	Amber	In recent months we have undertaken joint monitoring trips with vice-ministers.
Develop monitoring and evaluation plans for the National Health Sector Strategic Plan Support Program and all our health investments.	Amber	There have been improvements but a plan has not been finalised. A monitoring and evaluation framework will be developed as part of our new health program design and implementation.
Improve our understanding of health systems and monitoring and evaluation.	Green	The team undertook professional development with the interim health specialist, worked closely with a design specialist, used the thematic group for advice on the concept note for the new design and recruitment of health specialist, and successfully recruited a permanent senior health specialist.
Co-chair a development partner health forum, facilitate Ministry of Health leadership in coordinating the sector, and jointly develop policy and guidance on supporting further development.	Amber	Australia has co-chaired quarterly meetings of the development partners' forum and the first joint meeting led by the Ministry of Health is scheduled for May 2012.
Objective 6: Security	Rating	Progress made in 2012-13
Ability of Policia Nacional de Timor-Leste to sustain training delivery standards, implement skills learnt in training and develop and implement effective systems.	Green	Continue evaluating Policia Nacional de Timor-Leste progress and AFP-TLPDP effectiveness. This includes reassessment of activity plans, quarterly evaluations and reviewing alignment of the program with the Timor-Leste Government strategic development plan. AFP-TLPDP will conduct an independent review of the current program in 2013 to inform the design of the program for the new funding cycle in 2014.
Level of donor competitiveness (lack of effective donor coordination results in a degree of donor shopping, short cut solutions and duplication that complicates the sustainment of strategic direction).	Green	Work with the government's National Directorate of Aid Effectiveness and other development partners to look at new structures and for effective donor coordination. AFP-TLPDP meets weekly/monthly with other donors and the government to coordinate the delivery of aid to police.
Anticipated withdrawal of United Nations Integrated Mission in East Timor.	Green	The most significant impact is the withdrawal of supporting resources such as vehicles and United Nations personnel coupled with a decline in available donor funding. The AFP-TLPDP has adjusted its strategic direction and training support to the Policia Nacional de Timor-Leste in response.
Lack of sufficient accurate data on progress.	Green	The AFP-TLPDP's monitoring and evaluation program has benchmarked the Policia Nacional de Timor-Leste across different areas. Further, a

Sector management consequences Identified In 2011 APPR




		comprehensive scheduled process of evaluating Policia Nacional de Timor-Leste progress and AFP-TLPDP effectiveness has also been implemented to mitigate identified risks. This includes reassessment of activity plans, quarterly evaluations and reviewing alignment of the program with the government's strategic development plan.
<p>Objective 7: Public Sector Management and Good Governance</p>	<p>Rating</p>	<p>Progress made in 2012-13</p>
<p>The public finance and administration team will deliver a high quality governance for development design in 2012 to:</p> <ul style="list-style-type: none"> > consolidate two of Australia's existing programs (the Public Sector Capacity Building Program and the Planning and Financial Management Capacity Building Program) under a single umbrella by December 2012 > narrow the scope of Australia's justice sector support to the integrated information management system and activities to help end violence against women > support the government to develop and implement good public policy programs which improve services and promote economic growth > provide an analytical capability for the country program to ensure that programming decisions are underpinned by systematic and robust economic, political and social analysis > improve living standards for poor Timorese through services and economic empowerment. 	<p>Green</p>	<p>A new design was approved in May 2013. This revised timetable was appropriate to allow for sufficient negotiation with the new government after the 2012 elections, and subsequent changes to ministries' leadership, mandates and plans:</p> <ul style="list-style-type: none"> > the new program consolidates the two previous programs > the justice sector support is being taken forward under a separate ending violence against women design, also estimated to be completed in 2013 > the new design includes partnerships to allow the country program to benefit from World Bank analytical and advisory services and The Asia Foundation. It also has an emphasis on integrated political economy analysis and cross program coordination and learning > the new design focuses on addressing poverty through improved services and economic development (enabled by economic policy).
<p>Commence negotiations with the Ministry of Finance in May 2012 to strengthen its public financial management systems. This will be undertaken with a view to moving towards budget support by 2013 linked to the achievement of minimum conditions agreed with development partners.</p>	<p>Green</p>	<p>On track. Negotiations with the Ministry of Finance, based on expert analysis, have proposed 12 results that the ministry needs to achieve as a foundation for budget support. The outcome is still to be determined. Governance for Development will support these changes in 2013 while also assisting in the design of the budget support program, expected to commence in 2014.</p>
<p>Work closely with Timor-Leste throughout 2012 to operationalise the National Program for Village Development, with the first grants anticipated to flow to communities by the beginning of 2013.</p>	<p>Green</p>	<p>This is on track with the first grants to flow to 30 communities through a field test that will commence in June 2013. The small delay results from a commendable government decision to test the effectiveness of the program before rolling it out nationwide.</p>
<p>Monitor decentralisation developments closely and undertake analysis to ensure that the aid program is well placed to respond to potentially rapid reforms in this area.</p>	<p>Green</p>	<p>This is on track, although a number of stakeholders are still engaged in deciding on the model and pace of decentralisation reforms. We are in regular contact with the relevant stakeholders including the Prime Minister, the Minister for State Administration and the Secretary of State for Administrative Decentralisation. At a program level, Australia's National Program for Village Development and Governance for Development programs have work plans with the Ministry of State Administration, which will be relevant to decentralisation reforms.</p>
<p>Develop a new program of support for ending violence against women, which builds on the</p>	<p>Green</p>	<p>The design is expected to be completed in 2013, partly due to delays from the election timetable.</p>

**Sector management consequences Identified In
2011 APPR**

successes of our engagement through our
existing justice sector program.



Note:

-  Green. Progress is as expected for this point in time and it is likely that the objective will be achieved. Standard program management practices are sufficient.
-  Amber. Progress is somewhat less than expected for this point in time and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.
-  Red. Progress is significantly less than expected for this point in time and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

Annex B: Quality at Implementation ratings

	Program start date	Program end date	Program value	Year	Relevance	Effectiveness	Efficiency	M & E	Sustainability	Gender equality	Risk
BESIK – Rural Water Supply and Sanitation	07/10/04	16/09/12	\$41 282 303.80	2011	6	5	6	5	5	5	
				2012	6	5	5	5	5	5	M
Seeds of Life	22/04/05	30/06/16	\$32 332 718.69	2011	6	5	6	4	4	5	
				2012	6	5	6	4	5	4	I
Public Sector Linkages Program	28/04/05	30/06/13	\$6 981 279.29	2011	4	3	3	2	3	3	
				2012	2	3	3	2	2	2	I
Public Sector Capacity Development Program	03/01/06	31/08/12	\$40 318 559.38	2011	3	3	3	2	3	2	
ATLASS - Specialised Medical Services Program	01/02/06	30/06/12	\$9 582 036.58	2011	4	4	5	3	3	4	
East Timor Emerging Infectious Diseases	01/11/06	31/12/12	\$5 910 340.32	2011	3	2	3	3	2	2	
				2012	4	4	3	3	4	2	I
Vocational Education Program	01/07/07	31/12/12	\$30 507 546.52	2011	4	3	3	2	3	2	
				2012	4	4	4	4	3	4	I
Humanitarian Response 2007–2011	16/08/07	30/06/13	\$8 928 666.77	2011	Exempt						
				2012	3	3	3	2	4	4	B
Justice Sector Development Program	01/07/07	30/06/14	\$32 194 092.67	2011	4	5	3	2	3	5	
				2012	4	5	4	2	4	5	M
Health Sector Support Program (2007–2013)	17/09/07	30/06/13	\$23 000 000.00	2011	4	2	3	2	3	3	
				2012	4	3	4	3	4	3	B
Planning & Finance Capacity Building Program	01/07/08	31/01/14	\$13 000 000.00	2011	5	4	4	2	4	1	
				2012	5	4	3	2	4	1	M
Climate Change Adaptation East Timor	01/04/09	28/02/15	\$3 936 363.53	2012	5	5	4	3	4	5	M
Family Planning and Reproductive Health Services	01/12/09	31/03/15	\$16 489 482.60	2011	5	3	2	3	3	5	
				2012	5	4	4	4	3	5	I
Australian Development Awards East Timor	01/01/10	30/06/17	\$10 917 803.64	2011	5	4	5	4	4	5	
				2012	4	4	4	4	4	4	I
Labour-Based Rural Road Works in East Timor	01/06/10	29/02/12	\$3 300 000.00	2011	5	5	5	4	4	5	

	Program start date	Program end date	Program value	Year	Relevance	Effectiveness	Efficiency	M & E	Sustainability	Gender equality	Risk
Education	08/06/11	31/12/14	\$9 175 116.24	2011	4	3	2	2	3	3	
				2012	5	4	3	4	4	3	I
Roads for Development	01/06/11	29/02/16	\$30 500 000.00	2012	5	4	4	4	4	5	I
Rural Water Supply & Sanitation Program BESIK II	01/06/11	30/06/20	\$60 655 999.08	2012	6	5	5	5	5	5	M
ATLASS Phase II	01/04/12	30/06/16	\$8 700 000.00	2012	5	3	3	3	3	4	B
National Health Sector Strategic Plan	21/09/11	15/12/15	\$10 700 000.00	2012	5	4	4	3	4	3	B
Interim Support to the Ministry of Finance 2011–2014	28/10/11	30/06/14	\$4 101 000.00	2012	5	5	4	3	5	1	M
Interim Governance for Development Support Service	06/12/11	30/06/14	\$16 637 999.00	2012	5	5	4	3	4	4	M
East Timor Education Program	01/07/12	30/06/16	\$18 830 000.03	2012	5	4	3	4	4	3	I
Management of Scholarships in Timor-Leste 2012–2014	01/09/12	28/02/14	\$3 000 000.00	2012	4	4	4	4	4	4	I
National Program for Village Development	01/07/12	30/04/14	\$14 573 507.58	2012	6	5	4	3	4	5	I

Satisfactory (4, 5 and 6)

■ = 6 = Very high quality

■ = 5 = Good quality

■ = 4 = Adequate quality, needs some work

Less than satisfactory (1, 2 and 3)

■ = 3 = Less than adequate quality; needs significant work

■ = 2 = Poor quality; needs major work to improve

■ = 1 = Very poor quality; needs major overhaul

Risk Management scale: * 2011 risk ratings = QAI key risks rated; 2012 Ratings = quality of the risk management system rated

■ Mature (M). Indicates the program manager conducts risk discussions on at least a monthly basis with all stakeholders and updates the risk registry quarterly.

■ Intermediate (I). Indicates the program manager conducts ad-hoc risk discussion and updates the risk register occasionally.

■ Basic (B). Indicates there are limited or few risk discussions and the risk register has not been updated in the past 12 months.

Annex C: Evaluation and review pipeline planning

Name of Program	Aidworks number	Type of evaluation 19	Date evaluation report received	Date evaluation report uploaded into Aidworks	Date management response uploaded into Aidworks	Published on website
East Timor Infrastructure Program	INH497	Independent completion report	July 2012	8 August 2012	September 2012	November 2012
East Timor Emerging Infectious Diseases	INH054	Independent evaluation	November 2011	12 July 2012	12 July 2012	November 2012
Safe Motherhood	INJ035	Independent evaluation	September 2012	December 2012	Pending	Pending
ATLASS	INK220	Technical Advisory Group Report 1	February 2013	Pending	Pending	Pending
Labour-Based Rural Road Works in East Timor	INJ371	Independent evaluation	March 2012	10 April 2012	10 April 2012	November 2012
Justice Sector Support Facility	INH487	Independent Evaluation	April 2012	November 2012	May 2013	Pending
Public Sector Capacity Development Program	ING357	Independent evaluation	July 2012	January 2013	Pending	Pending
BESIK - Rural Water Supply and Sanitation	ING002	Independent completion report	August 2012	February 2013	April 2013	Pending
Seeds of Life	ING104	Technical Advisory Group Report 1	November 2011	November 2012	November 2012	May 2012
Youth Employment Promotion Program	INH459	Independent completion report	April 2012	December 2012	Pending	Pending

Evaluations planned in the next 12 months

Name of program	Aidworks number	Type of evaluation	Expected completion date
East Timor Education Program	INK585	Independent evaluation	October 2014
Management of Scholarships in Timor-Leste 2012–2014	INK737	Independent evaluation	March 2014
ATLASS Phase II	INK220	Independent evaluation	December 2014
ATLASS Phase II	INK220	Technical advisory group review	November 2013
Safe Motherhood	INJ035	Independent evaluation	June 2013
National Health Sector Strategic Plan	INK221	Independent evaluation	December 2014
Seeds of Life	ING104	Independent evaluation	August 2013
TLPDP	N/A	Independent evaluation	2013