



**Democratic Republic of Timor-Leste**

**Ministry for State Administration**

**TIMOR-LESTE LOCAL DEVELOPMENT PROGRAMME  
TECHNICAL SUPPORT MISSION REPORT**

July 2005

Report prepared for GoTL/UNCDF/UNDP by:

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## Abbreviations and acronyms

DA	District Assembly
DFDP	Decentralised Financing and Development Programme (Nepal)
DIW	District Integration Workshop
DNAT	National Directorate for Territorial Administration
FY	Fiscal Year
GoTL	Government of Timor-Leste
IMTWG	Inter-Ministerial Technical Working Group
INAP	National Institute for Public Administration
LDF	Local Development Fund
LDP	Local Development Programme
LGOS	Local Government Options Study
LPP	Local Planning Process
MSA	Ministry for State Administration
)&M	Operations & Maintenance
PIC	Planning and Implementation Committee
PMU	Programme Management Unit
SDA	Sub-District Assembly
SLGDP	Sirajganj Local Governance and Development Project (Bangladesh)
ToT	Training of Trainers
TL-LDP	Timor-Leste LDP
TSM	Technical Support Mission
TSS	Technical Support Services
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNIFEM	United Nations Fund for Women
VAT	Verification and Appraisal Team
WSS	Water Supply and Sanitation

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# TIMOR-LESTE LOCAL DEVELOPMENT PROGRAMME

## TECHNICAL SUPPORT MISSION REPORT

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### 1. INTRODUCTION

Within the framework of the Timor-Leste Local Development Programme (TL-LDP), jointly funded by the Government of Timor-Leste (GoTL), UNDP and UNCDF, a UNCDF-fielded Technical Support Mission (TSM) took place from 1 July to 10 July 2005. The Mission was composed of:

- Mr. Bishnu Puri (National Programme Manager, DFDP-UNCDF/Nepal);
- Mr. Md. Azizur Rahman Siddique (Project Adviser, SLGDP-UNCDF/Bangladesh);
- Mr. Mike Winter (Affiliate Technical Adviser, Asia region, UNCDF).

This brief report presents the mission's findings, suggestions and recommendations. The Mission wishes to take the opportunity to thank the Ministry of State Administration, the members of the Suco Councils and Local Assemblies of Bobonaro District, and the TL-LDP PMU for their cooperation in the conduct of the TSM. In particular, the Mission wishes to thank the TL-LDP PMU for its professional organisation of all phases of the TSM.

As specified by the TSM's Terms of Reference, the objectives of the mission were to:

- review the effectiveness of the institutional arrangements established by DNAT and TL-LDP;
- review the implementation and effectiveness of the local planning and budgeting process in Bobonaro District;
- if necessary, make recommendations for changes in institutional arrangements and the local planning process, to be implemented in 2005-2006 in Bobonaro and other Districts;
- provide TL-LDP with any necessary assistance in preparing and finalising financial management and other guidelines for the implementation of local investment plans/budgets in FY 2005-2006;
- provide TL-LDP with any necessary assistance in other areas (such as monitoring and evaluation, procurement procedures, etc.).

The report is structured in the following way:

- the first section provides a brief recapitulation of LDP activities and achievements over the period 2004-2005;
- the second section provides an overview of the Mission's principal findings;
- the third section presents in detail the suggestions and recommendations of the Mission with regard to the Local Planning Process (LPP) promoted by TL-LDP as well as some of the larger (and more urgent) issues that GoTL and TL-LDP will need to resolve in the coming months.

A number of annexes are included at the end of report. In addition, the TSM will also prepare a set of financial management guidelines for District and Sub-District Assemblies and the District Administration; these guidelines will constitute a separate document.

## **2. RECAPITULATION OF TL-LDP ACTIVITIES**

### **2.1. Preliminaries**

TL-LDP effectively began operations in late July/August 2004 with the recruitment of the International Programme Adviser/Manager. Recruitment of national technical staff was delayed for administrative reasons until late 2004, when a Programme Assistant was signed up. Additional national staff are expected to join the programme in July 2005.

Initial activities included setting up an office, housed in DNAT/MSA, and establishing basic procedures for programme operations. For a variety of reasons (delayed signature of the project document, procedural complications arising from novel implementation arrangements, etc.) programme budget resources were not made available until December 2004. Up until that time, DNAT/MSA provided the PMU with considerable administrative and logistical support (including the provision of a vehicle).

During the period September to October 2004, a number of major conceptual and technical issues were clarified with DNAT/MSA and field visits conducted in Bobonaro. Between October and the end of November 2004, most of the LPP and LDF Guidelines were drafted, as well as the procedures for the basic institutional framework (Sub-district and District Assembly regulations). These draft Guidelines – which have been largely adopted as DNAT/MSA directives of one form or another – were also “translated” into more accessible and user-friendly training manuals during the same period. In addition, the programme formulated a comprehensive training programme based on these manuals. Draft procurement guidelines and basic financial management procedures were also prepared for submission to GoTL.

### **2.2. Establishing the institutional framework and initial training**

Direct elections for Suco Councils in Bobonaro District were held in December 2004, thus establishing the institutional basis for the entire local development process. Immediately following the ratification of Suco Council election results, TL-LDP was officially launched in Bobonaro District in January 2005. Suco Councils selected their Assembly representatives during January 2005. LDF allocations for 2005-2006 were also announced during the launch of the programme.

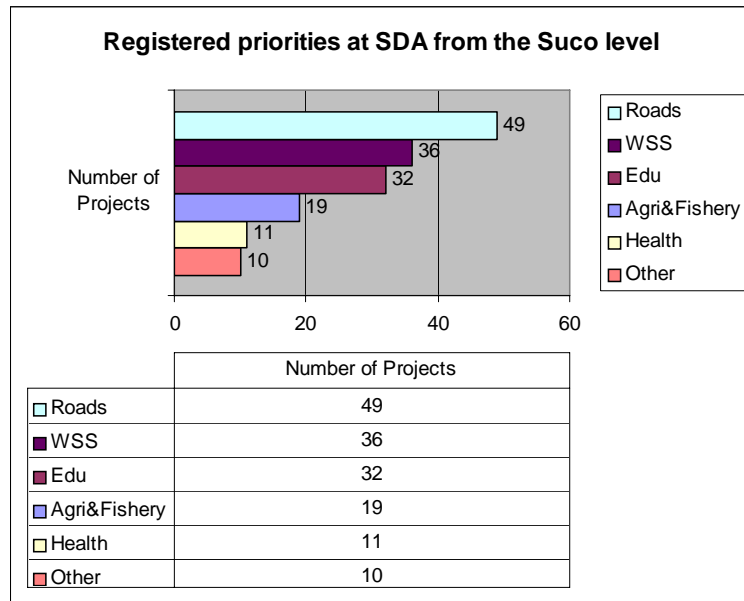
Training of trainers (ToT) by the PMU took place in late January 2005, with personnel from the National Institute for Public Administration (INAP) being the key focus, along with representatives from the SDAs and DA of Bobonaro. The initial focus was on the LPP and on basic LDF principles. Subsequently – during February 2005 – some 168 SDA and DA members were trained by INAP trainers with PMU backstopping and support.

### **2.3. Local planning for FY 2005-2006**

Local level planning – generally conducted in accordance with LDP/LDF Guidelines – got under way immediately following the training sessions, and was intensively supported and monitored by the PMU.

Between March and June 2005, the six SDAs in Bobonaro registered 157 investment proposals from their constituent Suco Councils. Figure 1 provides a graphic summary of the sectors covered by these proposals.

Figure 1: initial investment proposals from Suco Councils to SDAs (2004-05 LPP)



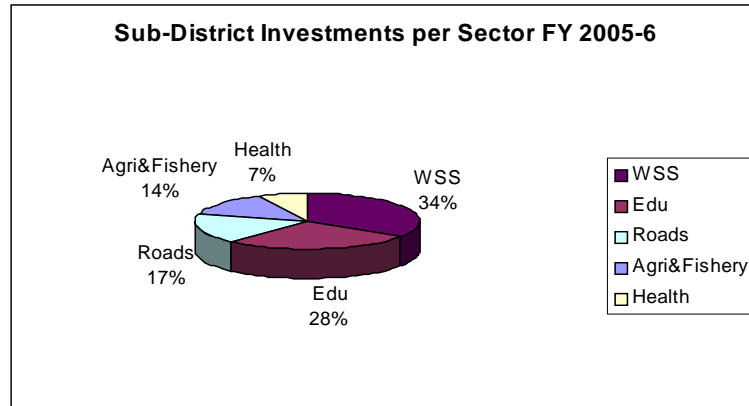
Source: TL-LDP PMU

Initial screening “eliminated” some 39% of these investment proposals – thus leaving 96 “eligible” proposals. The remaining proposals were appraised and then further prioritised by the SDAs. Draft SDA investment plans were drawn up and presented at the District Integration Workshop (DIW, held at the end of May 2005). The DIW proved to be a good opportunity for all District level sectors to comment on SDA plans, to avoid duplication, to commit themselves to any recurrent expenditure implications arising out of proposed investments, and to raise technical questions concerning investment proposals. Importantly, the DIW was not used by local sector departments as a forum for “approving” SDA investment plans<sup>1</sup>. Following the DIW, SDAs finalised their investment plans and budgets for 2005-06, including a total of 29 prioritised investments, budgeted at a total estimated cost of approximately US\$ 150,000. Figure 2 provides a summary of the sectoral spread of SDA investment plans.

In general, the SDA planning process in Bobonaro does appear to have taken into account operations & maintenance issues – these were factored into the appraisal process and were explicitly discussed and dealt with in the DIW. Only time, however, will tell whether O&M is genuinely tackled by local communities and line departments.

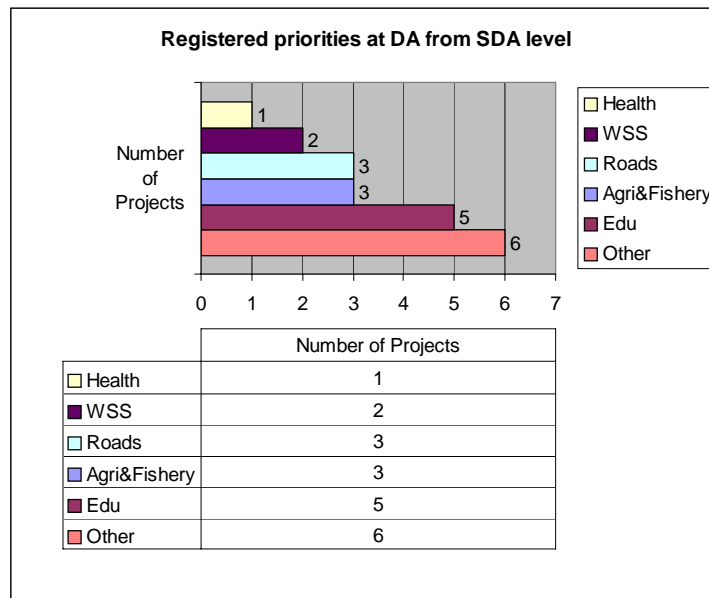
<sup>1</sup> For more details on the DIW, see the TL-LDP PMU Field Report of 27 May 2005, which provides a description of DIW proceedings and summary of discussions.

Figure 2: SDA investment projects by sector (source: TL-LDP PMU)



The District Assembly registered a total of 20 investment proposals from SDAs and sector departments. The sectoral spread of these proposals is summarised in Figure 3.

Figure 3: initial investment proposals from SDAs \$ sectors to the DA (2004-05 LPP)



Source: TL-LDP PMU

Of the 20 investment proposals submitted to the DA, 7 were “eliminated” and the remaining 13 appraised and then prioritised. The investment plan/budget of the DA, finalised in June 2005, included 6 priority projects (2 in the education sector, and one each in four other sectors [health, WSS, agriculture and “other”]), valued at an estimated total of approximately US\$ 60,000.

As of the end of June 2005, then, the seven Local Assemblies in Bobonaro had managed to finalise their investment plans/budgets for FY 2005-06.

### 3. AN OVERVIEW OF MISSION FINDINGS<sup>2</sup>

#### 3.1. Overall findings

In general, the Mission found that:

- (i) **the institutional arrangements** put into place by DNAT/MSA and TL-LDP in Bobonaro District **have functioned remarkably** well given (i) the novelty of the arrangements, (ii) sometimes difficult circumstances and (iii) the short time since they have been operational. Sub-district and District Assemblies have, for the most part, proved functional and capable of making hard decisions on a rational basis. Elected voting members (chosen by constituent Suco Councils) have taken their responsibilities seriously and non-voting executive members have – in general – done their best to fulfil their more technical/advisory mandates. The voting powers enjoyed by Suco Council representatives have been respected by the local administration, which clearly sees itself as being responsible for executing and supporting Assembly decisions, rather than making them.
- (ii) **the Local Planning Process (LPP)** has also **proved remarkably effective as a way of identifying, appraising and prioritising local-level infrastructure projects**. Suco Councils have been able to provide most of the “raw” input into the planning process and District, Sub-district and sector officials have devoted significant efforts to providing technical backstopping. Where LPP procedures have proved to be inappropriate or too onerous, sensible adaptations have been made, with full support from the PMU. The District Integration Workshop (DIW) was also relatively successful in ensuring sector buy-in for local investments and in avoiding (to date) duplication in investment decisions. All the SDAs and the DA now have finalised investment plans and budgets for FY 2005-2006.
- (iii) perhaps most importantly of all, **the entire local development process promoted through the programme has clearly been appropriated by GoTL and by local citizens** – it is safe to say that the “model” is genuinely owned by national and local institutions and that the pitfalls of an external, “project-based”, approach have been avoided. There is a very clear sense – at all levels – that TL-LDP is a Government and a Timorese programme, with a concomitant sense that the responsibility for success or failure lies firmly with national and local institutions. This is largely attributable to the Minister’s approach to the LDP and trust in the PMU, as well as to the intelligence and diligence of the PMU, which has been consistent (and highly effective) in its approach to the institutionalisation of the LDP.
- (iv) in addition, the training and backstopping/mentoring provided by the programme have been vital to achieving significant progress in such a short period of time. **The quality of the training materials developed by the programme is of the highest order**. Training has been intensive and **PMU backstopping has been timely, appropriate and effective**.
- (v) finally, DNAT and MSA have made a major contribution – not only in budgetary terms but also in the form of political commitment and administrative support.

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<sup>2</sup> A SWOT analysis was undertaken by two members of the TSM. It broadly echoes the findings described in the main report. The SWOT analysis is included as an Annex to this report.

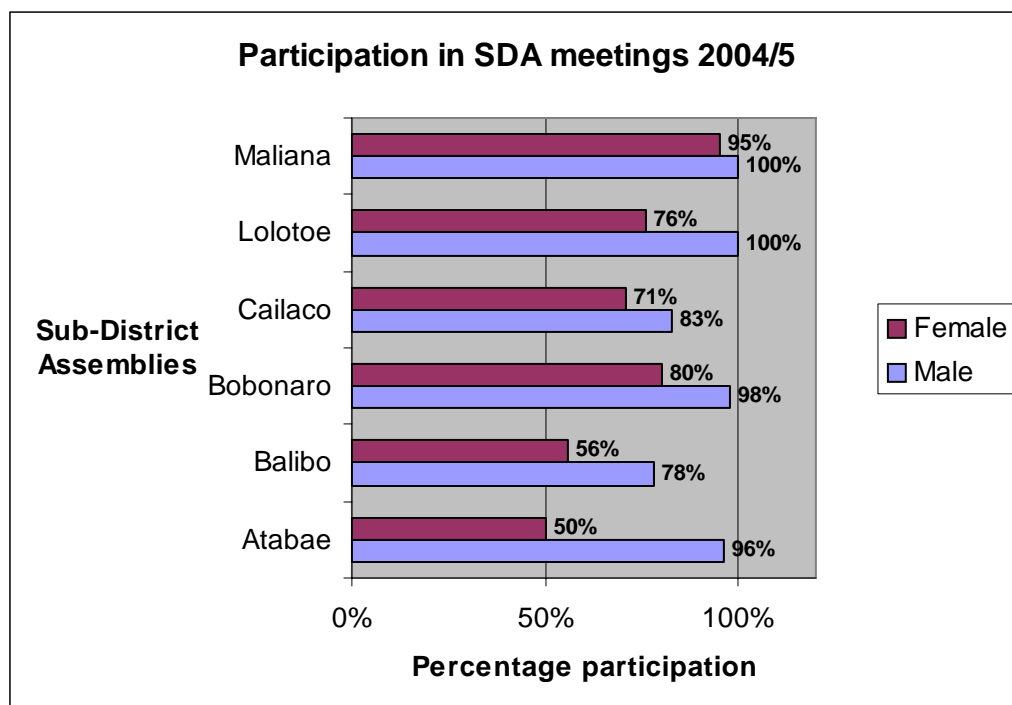
Overall, then, the programme has achieved a great deal in a relatively short space of time – and the solid foundations laid during FY 2004-2005 will provide a good starting point for activities during FY 2005-2006.

### 3.2. Specific issues and problems

Nonetheless, **a range of somewhat problematic institutional and procedural issues were identified by the Mission** – as in all such programmes, there is room for improvement and refinement. It should be noted, however, that the overwhelming majority of these “problems” have already been recognised by the PMU – the Mission is thus largely endorsing what is already known. Issues include, *inter alia*:

- (i) **the special difficulties faced by women in participating in Assembly meetings and decision-making processes**, both physically and (more importantly) substantively. Figure 4 provides a graphic illustration of the differences in participation rates between male and female voting members in meeting of the Sub-district Assemblies. Affirmative action policies embedded in the provisions governing the composition of the Assemblies’ voting membership have ensured that women enjoy equal representation. However, such representation does not yet appear to have enabled women to voice themselves or to participate as effectively in Assembly deliberations. Women face more problems than men in participating in meetings. Custom and tradition are clearly such that women tend to remain relatively mute in proceedings – and this may translate itself into investment plans and budgets that do not fully reflect women’s specific needs or pre-occupations. The same problem exists at the level of Suco Councils where, moreover, women are not necessarily as well represented in numerical terms as in the Sub-district and District Assemblies.

Figure 4: Voting membership participation in SDA meetings 2004/05



Source: TL-LDP PMU

- (ii) **practical difficulties (travel, costs, etc.) faced by all voting Assembly members in attending meetings.** Participating in Assembly meetings entails devoting time away from other responsibilities and costs in terms of transport etc. The DNAT contribution to the LDP (in the form of reimbursement of transport costs and modest subsistence allowances) has certainly mitigated some of these problems.
- (iii) **qualitative and quantitative weaknesses in the flows of information from Local Assemblies to Suco Councils and Suco populations;** as well as a need to improve overall communications and transparency. Assembly decisions are not always fully communicated to Suco Councils, particularly with regard to projects that have not been included in investment plans/budgets. In turn, Suco Councils have not always been sufficiently diligent in passing on information to community members concerning Assembly decisions.
- (iv) **sometimes insufficient levels of consultation between Suco Councils and their constituent communities in the initial phases of the planning process.** Whilst some Suco Councils do seem to have engaged in a process of extensive consultation with community members during the phase of identifying potential projects, others appear to have been rather less inclined to “open up” the needs assessment process.
- (v) **difficulties for certain sub-districts (especially the most remote and isolated) in obtaining general support and appropriate technical backstopping** for carrying out the LPP, resulting in poorer planning. This was especially true of Cailaco and Lolotoe Sub-districts, where such problems were compounded by relatively weak or ineffective Sub-district administrations.
- (vi) **practical difficulties (transport, etc.) faced by Sub-district and District officials in providing adequate backstopping for the LPP.** Budgets and resources for verification, appraisal and technical visits are inevitably limited. Only a few Sub-districts have access to computers and photocopying facilities and most Sub-districts do not have reliable means of transportation.
- (vii) **an occasional lack of articulation between PIC/VAT visits and local communities during the appraisal and preliminary design process.** In some Sub-districts, it is clear that the PIC/VAT process could have been much more participatory and involved greater consultations with local communities. Where this has been a weakness, implementation of projects in 2005-2006 may run into difficulties, especially if projects were designed and costed without sufficient input from local communities.
- (viii) **the absence of baseline data on existing socio-economic infrastructure in the Sub-districts and District.** To date, no Sub-district has systematically asked Suco Councils to collect and communicate baseline data – until this is done, Sub-districts (and the District as a whole) will be unable to monitor the impact of their LPP and its implementation.
- (ix) **some confusion about the difference between District and Sub-district level projects.** There has been a slight (and understandable) tendency for Sub-district

Assemblies to simply pass on larger projects, beyond their budgetary resources, to the District Assembly. However, this has really only been the case for larger irrigation schemes – and is in accordance with the LDF-prescribed investment menus.

- (x) **in general, the intensity (or shortness) of the LPP calendar in 2004-05** – largely a result of the need not to “miss out” on FY 2005-06; indeed, many of the problems cited above can probably be partly attributed to this. The need to accelerate the LPP has probably resulted in “shortcuts” being taken, in consultations not being as extensive as they perhaps might have been, in appraisal being somewhat rushed, and so on.

### 3.3. General issues

In more general terms, the Mission also noted that:

- (i) **the next phase of the LPP (implementation or budget execution) needs to get under way as soon as possible** – not only so as to ease the overall burden of work (in Bobonaro, activities in FY 2005-2006 will include both the implementation of plans approved in 2004-05 and the formulation of investment plans/budgets for 2006-07), but also because it is vital that Local Assemblies be seen to be “delivering the goods” in order to maintain credibility in the eyes of local citizens.
- (ii) **financial procedures (treasury operations, procurement regulations, financial reporting arrangements, etc.) for the implementation phase are yet to be finalised** and agreed upon by national authorities. The longer it takes to finalise these, the more likely it is that implementation will be delayed – with negative consequences for all concerned. It should be added that this has largely been due to stonewalling on the part of a highly centralised Treasury, rather than any lack of effort on the part of DNAT/MSA and the PMU.
- (iii) **the expansion of the LDP into a new district has yet to be decided upon.** Once again, the longer it takes to make this decision, the less time the new district will have to carry out its LPP in 2005-06, and the more the PMU will find itself under unnecessary pressure (which is – in any case – likely to be compounded by the need to trial decentralised procurement and financial management procedures in Bobonaro).
- (iv) although the LDP is in its early stages of implementation, **it is already clear that there are a number of important lessons to be learned** (upfront local planning is effective, Local Assemblies can function [with caveats], technical backstopping at the local level can be problematic, etc.), lessons which merit being fed into GoTL’s policy processes. **To date, however, this lesson-learning aspect of the programme (Output 4 in the LDP’s Results & Resources Framework) has not been systematically worked on by the PMU**, largely because of time constraints and an understandable sentiment (on the part of the PMU) that the Ministry needs to indicate how far it wishes to go in disseminating policy-relevant lessons.
- (v) in addition, **the articulation between the LDP and LGOS (Local Government Options Study) remains relatively weak.** This would appear to be due to the low level of functionality of the IMTWG, rather than to any lack of will on the part of the PMU.

## 4. MISSION SUGGESTIONS AND RECOMMENDATIONS

In the light of its observations and findings, the Mission makes the following suggestions and recommendations<sup>3</sup>.

### 4.1. Suggestions and recommendation for the TL-LDP PMU

These suggestions and recommendations are largely concerned with the more general programmatic problems identified above. More detailed recommendations concerning the LPP (steps in the planning process and procedures) are incorporated in the Annexes of this report, as edited commentaries on LDP Planning Guidelines, tools and formats.

TSM recommendations and suggestions that merit consideration by the PMU include the following:

- (i) **examine and then promote ways of improving the quality of participation of women Assembly members** – but without doing so in ways that result in “women’s projects” or the like. The proposed collaboration with UNIFEM would seem an appropriate way forward here – with UNIFEM undertaking capacity-building of women Assembly members in Bobonaro. The key here would appear to be in encouraging women Assembly members to think harder about women’s priorities, come to a consensus on these, and then lobby for Assembly decision-making to take these into account during the planning process. However, the mission endorses both the Ministry’s and the PMU’s view that no special funding window for “women’s” projects be established within the LDF framework. The range of investments identified in 2004-2005 shows no obvious bias against women’s interests – and, indeed, many of the proposals (water supply systems, investments in primary education and primary health) are clearly capable of delivering direct and indirect benefits to both men and women.
- (ii) **emphasise** much more strongly in training sessions and planning guidelines **the need for voting Assembly members to feedback information to their respective SDAs** (in the case of DA members) **and Suco Councils** (in the case of SDA members); and for **Suco Councils to feedback information** (about e.g. non-approved project proposals) **to their respective communities**. Unless such information is fed back to communities, local citizens will not be able to understand how priorities are arrived at, nor the ability (if need be) to question their representatives about why certain decisions were taken in Assembly deliberations. Without such flows of information, accountability mechanisms will be unable to develop fully.
- (iii) **insist upon and support Local Assemblies in making more information available to the public**. For example:
  - whilst there is an understandable reluctance to publish detailed budget information (as this may compromise subsequent procurement), Assemblies should nonetheless post aggregate budgets on notice boards. Such aggregate budgets need not mention the specific total costs of approved investment

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<sup>3</sup> Once again, most of these suggestions and recommendations amount to endorsements of current thinking within the PMU.

projects – but should indicate which projects have been approved, what local contributions are expected to amount to, and the value of the overall investment budget approved by the Assembly for the following FY;

- the programme could subsidise the cost of establishing notice boards in those Sub-districts where they do not exist;
- in general, more attention needs to be paid to the issue of transparency and the provision of information – so that citizens can inform themselves of Assembly decisions and the like. This could involve making more use of local FM radio stations in publicising information about LDF allocations and Assembly budgets;
- finally, more thought will need to be given to transparency during the implementation phase (through, for example, the systematic use of signboards at project sites).

- (iv) **place more emphasis on Suco Council consultations with local communities in the initial stage of identifying potential projects.** This is probably a question of providing Suco Councils with more time than was available this year (2004-2005) to undertake local consultations. However, the programme will need to underline the importance of wide consultations at the Suco level if it is to ensure (as far as possible) that certain communities or social groups do not perceive themselves to be excluded from the planning process. There are obviously limitations to this – in some Sucos, for example, the large number of aldeias makes it very costly to undertake consultations – but the principle nonetheless requires reiteration and reinforcement. Whilst the risks of elite capture in Timor-Leste are much lower than in many other countries (e.g. Nepal), limited local consultations may result in exclusion through simple omission.
- (v) **encourage District Administrations to allocate more time to and support for “weaker” Sub-districts.** In general, the District Administration needs to strengthen its ability to mentor Sub-districts and to direct additional human resources to them when necessary. Cailaco and Lolotoe, for example, could benefit from being “twinned” with stronger Sub-districts – the CDO of Maliana, who is clearly competent, could be asked to provide his colleague in Cailaco with support during certain steps in the planning process. This may be especially important during the implementation phase – and the LDP PMU should consider allowing the District Assembly to use part of its 5% TSS allocation for supporting “weaker” Sub-districts. Again, there are limitations to all this – resources are scarce. But the notion of mentoring needs to be introduced and – as far as possible – formalised in the LPP.
- (vi) in any new District to be covered by the LDP, **the PMU should seek to maximise the use made of competent officials and other resource persons from Bobonaro.** Training in the new District should obviously be carried out by INAP trainers – but if possible, supported by CDOs and other staff from Bobonaro, who now have hands-on experience of how to conduct the LPP. Experience elsewhere has shown that peer-to-peer training can often be highly effective. In addition, the programme could organise a study tour to Bobonaro for officials and Suco Council representatives from the new District – with the explicit aim of enabling them to profit from lessons learned there and from the hands-on experience of SDAs and the DA in Bobonaro.

- (vii) **encourage Sub-districts to be somewhat more pro-active in seeking technical support from sector departments and/or District Administration staff resources.** The District Administration in Bobonaro, while apparently willing to provide additional support to “weaker” Sub-districts, rightly insists on the need for all Sub-districts to be more active in seeking assistance. This is simpler for those Sub-districts (such as Balibo) that have easier physical access to sector departments (or even their own infrastructure staff). However, “weaker” Sub-districts need to recognise their problems and themselves try to find solutions – only then will the District Administration feel more committed to supporting them.
- (viii) **place more emphasis in training sessions and in existing guidelines on the need for close collaboration between PIC/VATs and local communities** during Step 4 of the LPP – the latter must be closely involved in appraisal and initial design in order to ensure (i) transparency and (ii) that projects are tailored to local conditions/needs. Experience from elsewhere (notably Vietnam) has shown that if local communities are not involved in the initial appraisal and design phase of the LPP, then the likelihood of inappropriately identified, designed and costed investments increases.
- (ix) **place more emphasis on the distinction between District and Sub-district level investments.** This is largely a question of re-iterating that the former are not simply investments that cannot be covered by Sub-district LDF allocations. The PMU could also closely monitor investment planning outcomes in the next LPP cycle to see if it will be necessary to revisit the existing investment menus provided in LDP guidelines.
- (x) **support Suco Councils, SDAs and DAs in the collection and processing of baseline data.** This will enable them to monitor and evaluate their contribution to local development and obtain periodic “snapshots” of the state of basic socio-economic infrastructure in their respective jurisdictions. Guidelines and formats already exist for this – it is now a question of re-iterating the need for good baseline data to be collected, stored, used and updated on a regular basis. Needless to say, this process of data collection should be promoted (by the PMU) as part of the day-to-day business of Suco Councils and Local Assemblies, rather than as something specific to the LDP.
- (xi) **make a number of relatively minor changes to LPP steps and to some of the formats/tools used in the planning process.** In this regard, the annexes to this report provide detailed recommendations, along with any necessary commentary.

#### **4.2. Suggestions and recommendations for DNAT/MSA and GoTL**

- (i) assuming that the Ministry’s FY 2005-2006 budget can handle the expenditure, **introduce modest sitting allowances for the voting members of Local Assemblies** as a way of compensating for the opportunity and direct costs (time spent away from home, not being able to do farm work when at Assembly meetings, paying for child care, etc.) incurred through fulfilling representative functions.
- (ii) **do everything possible to finalise and agree on financial procedures for disbursement and management of LDF allocations, including procurement**

**regulations.** The longer it takes to do this, (i) the greater will be the delays in the implementation process, (ii) the more will be the frustration on the part of local communities (and Assemblies), and (iii) the more intense will be the workload for SDA and DA officials in 2005-2006. The PMU cannot develop training materials for procurement and financial management until such time as firm decisions are made about what the procedures will be; and developing such training materials and then organising training sessions will take time. **The mission strongly recommends that the Government come to a final decision on financial procedures for LDF fund management before the end of July 2005.**

- (iii) **make a decision on LDP expansion as soon as possible**, in order to provide the LDP and DNAT with as much time as possible to establish Local Assemblies and to train local stakeholders in the LPP. Clearly, this decision will depend upon confirmation of the results of Suco Council elections – but as soon as these are confirmed by the judiciary, MSA should try to identify the next pilot District.
- (iv) in conjunction with the PMU, **decide upon an appropriate strategy for disseminating lessons learned from the LDP** to national stakeholders (MoPF, line ministries, etc.) and to the wider donor community. The Government is keenly aware of the need to decentralise or deconcentrate public expenditure management<sup>4</sup> – and the LDP is already in a position to inform that process.
- (v) in conjunction with the PMU, **strengthen the linkages between the LDP and LGOS.** The involvement of two prominent members of the IMTWG in the current assessment of LDP Minimum Conditions for 2005-2006 certainly represents a positive step in this regard, as it will give them an opportunity to see at first hand how the programme functions – and thus empirically inform the ongoing policy debate. However, a more formally defined process of interaction between the LDP and LGOS would be of mutual benefit.

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<sup>4</sup> As evidenced by the recent *Decree-Law No/05 on the Restructuring of the First Constitutional Government*, which provides for the establishment of five new Regional Secretariats to expedite development activities throughout the country.

**Timor-Leste Local Development Programme**

**Technical Support Mission Report (July 2005)**

**ANNEXES**

## Annex 1: Timor-Leste Local Development Programme: an assessment of Strengths, Weaknesses, Opportunities and Threats (SWOT)

Areas of Assessment (i) Participatory Planning Process (ii) Information and Communication (iii) Technical Assistance for Design and Costing (iv) Policy Influence

### 1 Participatory Planning Process

Strengths	Weaknesses	Opportunities	Threats
<p>Local Bodies (Sucos, SDAs and DA) understand the whole planning process, budget ceiling investment criteria, prioritization tools</p> <p>Existence of clear guidelines and manuals for participatory planning exercise</p> <p>Capacity building training prior to Participatory Planning</p> <p>Whole process owned by LG body. Elected members have ultimate decision-making powers</p> <p>Some community members have had previous experience of Participatory Planning,</p> <p>High degree of ownership by DA and SDA in the PP process</p>	<p>Inadequate participation of village communities in PP sessions.</p> <p>Low participation of women and women's concerns not sufficiently taken into account</p> <p>Lack of of baseline information</p> <p>Absence of clear guidelines about participation of the community (how many, any % or representation from all aldeias, etc) in planning process.</p> <p>Sucos do not know budget ceilings and are not sure whether their proposals get funded</p> <p>Timing of PP not adequately matched with the availability of the community (working season)</p>	<p>Create a scope for Decentralized Finance</p> <p>Potential to integrate sector planning with LDP</p> <p>Scope for involvement of NGOs and LAs in LDP</p> <p>High degree of ownership and important relationship between community-Suco SDAs and DA</p>	<p>Chances that only s few Suco proposals get funded (in Bobonaro SDA, out of 18 Sucos, only 6 are entitled for funding in 2005-06). Thus, chances of de-motivation since proposals may not get funded – leading to lack of involvement later on</p> <p>Investments only concentrated in public sectors</p> <p>Cost of participation (transport etc.) is an issue</p> <p>Priority of public Investments may undermine local economic development especially when market forces are not working</p>

District Integration Workshop	<p>Insufficient exercise while prioritizing proposals at Suco level (time, participation, data )</p> <p>Insufficient discussion of O/M issues</p>		
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## 2. Information and Communication

Strengths	Weaknesses	Opportunities	Threats
<p>Adequate information down to Suco level</p> <p>Communication Strategy upto Suco/SD/DA levels is satisfactory</p> <p>District Integration Workshops provides an avenue of information sharing</p>	<p>No clear communication strategies beyond (below) Suco level.</p> <p>Community members are not well informed about the budget ceiling, prioritization tools as well as decisions about project selection or elimination (why and how ?)</p>	<p>Role of Aldeias as connectors for information sharing between Suco Councils and local communities</p> <p>Use of public media (local radio, newspapers) will help for better understanding and participation</p>	<p>Expectations of local people may be unnecessarily raised and this may lead to de-motivation</p>

	Inadequate information on how DIW works		
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### 3. Technical Assistance for Design and Costing

Strengths	Weaknesses	Opportunities	Threats
<p>Involvement of technicians along with CDO and other in VAT</p> <p>Preparation of Investment plans only after recommendations by VAT</p> <p>Provision for local contributions</p>	<p>Non-availability of technicians</p> <p>Not much consultation with Sucos, communities and SDAs during the costing and designing process</p> <p>Little evidence of consultation with sectors before or during the process</p> <p>Approval of cost and design – unclear (who?)</p>	<p>Scope to <b>build on</b> design and costing guidelines (differentiating between Suco, SDA, and District Level investments)</p>	<p>Potential for compromising (quality and cost) if proper standards are not used. Negative long term implications.</p> <p>Govt. might not increase the number of technicians</p>

### 4. Policy Influence

Strengths	Weaknesses	Opportunities	Threats
<p>Govt. has initiated and owned the process. It has strong desire to expand the programme.</p> <p>Many policy decisions have been taken</p>	<p>LGs (elected SDA and DA) are not yet in place</p> <p>Official and institutional linkages between Sectors and Sucos are weak</p>	<p>Donors have shown high interest in supporting the programme (EC/UNDP)</p> <p>Lessons learned could contribute to developing an institutional framework</p>	<p>Insufficient consideration given to LG revenue</p> <p>Programme cannot be continued due to lack of capital budget if the</p>

	<p>Inadequate directives for supervision and monitoring</p> <p>No matching fund from the Govt. for block grants</p> <p>Comprehensive LG policy, laws and regulations are yet to develop</p>	<p>for LG (developing policies, rules and regulations for decentralized finance and LG)</p>	<p>project closes</p>
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**Annex 2: suggested amendments to SDA Planning Guidelines, Tools and Formats**

**See separate attachments**

**Annex 3: suggested amendments to DA Planning Guidelines, Tools and Formats**

**See separate attachments**