



Ministry of Finance

Democratic Republic of Timor-Leste

**Development Partners
Disbursement Report**

-

Calendar Year 2009

National Directorate of Aid Effectiveness

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Overview

The Ministry of Finance is pleased to release the 2009 end of fiscal year report on external assistance to Timor-Leste. The data contained in this report was compiled by the National Directorate of Aid Effectiveness (NDAE) of the Ministry of Finance. The information contained in this report consists of data provided by representatives from Development Partners.

Only those projects that provide development, humanitarian and emergency assistance are entered into the database. Thus, military and its security-related assistance provided under the International Stability Force (ISF) to Timor-Leste is not included in this report. Any other security related assistance as technical assistance is included.

The Government appreciates the efforts made by individual Development Partners who have provided updated information in a timely manner.

The reliability of the data recorded is dependent on the cooperation of Development Partners to provide the necessary and accurate information. The most recent update was in February 2010, which is incorporated into the report. The Government and Development Partners intend to update project information on a regular basis.

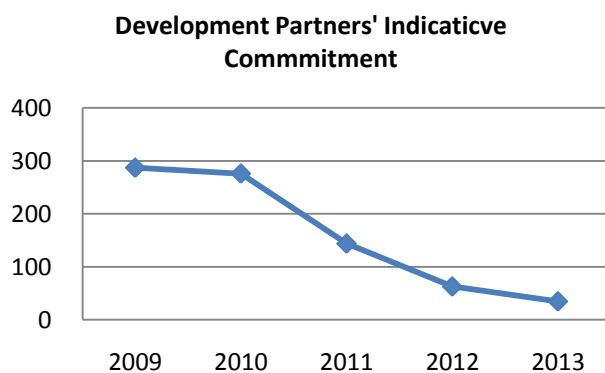
The purpose of this report is to help the Government of Timor-Leste and Development Partners gain a comprehensive overview of development assistance as well as assist in policy decision making.

The Government of Timor-Leste is grateful for the cooperation of Development Partners. The production of the report would not have been possible without their continued support.

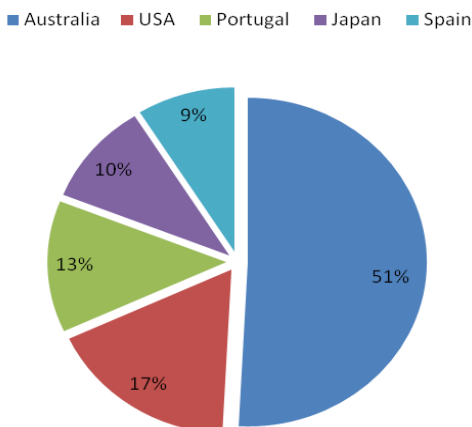
March 2010

Development Partners Spending in 2009

Development Partners committed a total of \$309.5M for development assistance to Timor-Leste; \$287.4M was disbursed in 2009. The graph below shows the downward trend in projected assistance from Development Partners in the next four years from \$275.5M in 2010, \$144.0M in 2011, \$62.5M in 2012 and \$34.7M in 2013.



In the most recent update from February 2010, NDAE received updated project information from 13 bilateral development partners, 4 multilateral agencies and 11 UN agencies. Bilateral development partners contributed \$253M. The top five bilateral development partners in 2009 included Australia (\$84.1M), the USA (\$28.6M), Portugal (\$21.4M), Japan (\$16.7M) and Spain (\$14.7M). Their spending represents 84% of the total spending of all bilateral development partners.



The disbursed \$287.4M consists of:

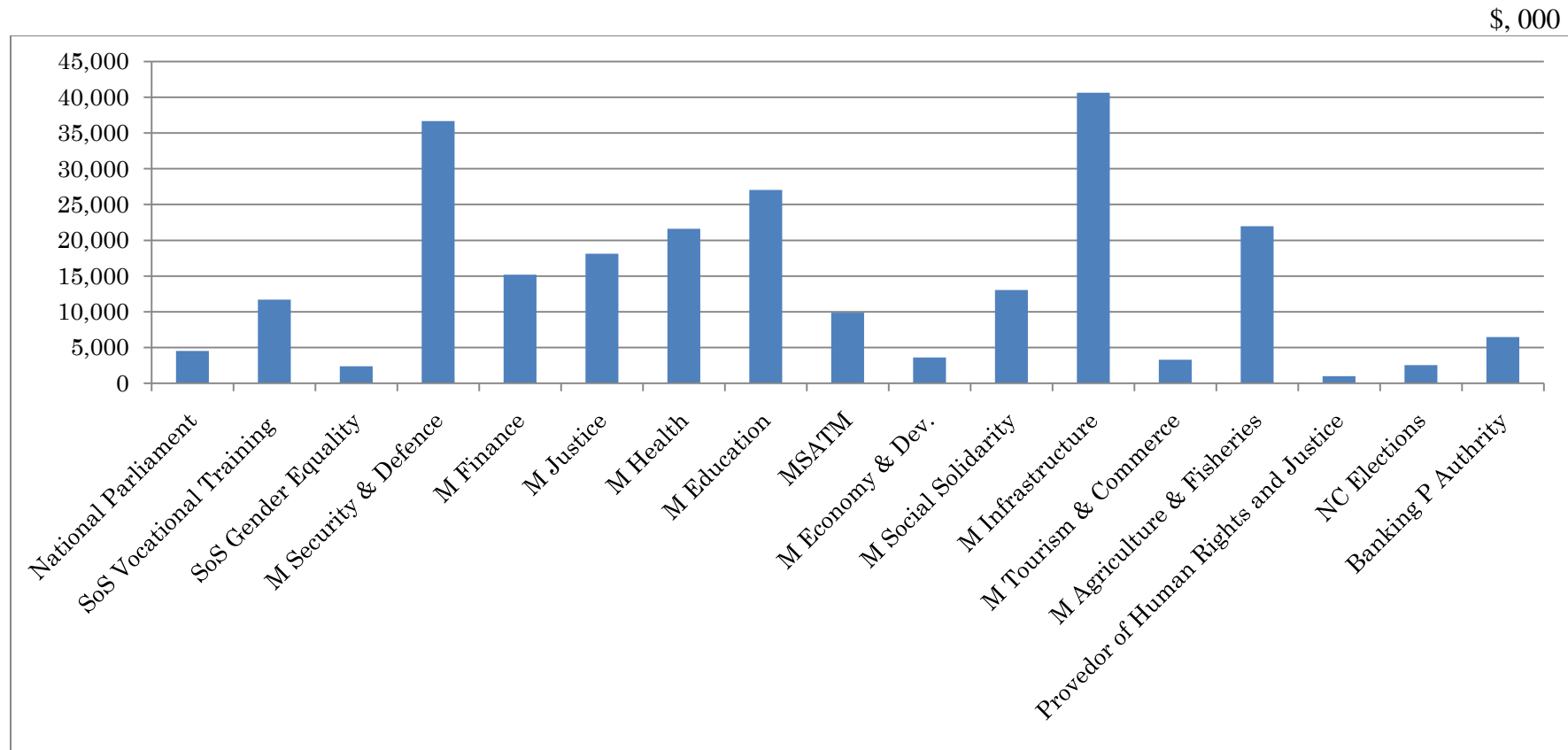
- \$242.1M for support to the Government Office and its related sector by Ministry.
- \$45.3M for Non Government sectors whose activities cannot be categorized to a particular Government Ministry. (e.g. support to civil society)
- Out of the \$242.1M, \$40.6M was spent for projects related to the Ministry of Infrastructure. It is followed by Ministry of Security and Defence's \$36.7M and \$27.1 M for the Ministry of Education (see Chart 1 below).

Development Partner spending by sector in 2009 can be seen in Chart 2. The majority of Development Partner spending is attributed to 5 main sectors: Education (17%), Health (14%), Agriculture (11%), Public Sector Management (11%) and Security (11%). Chart 3 shows that Development Partners are implementing 50 projects, with the largest number focused in the capital Dili, followed by Oecusse with 37 projects and Baucau with 36 projects. However, it should be noted that the existing data does not allow for a breakdown of amounts within the 13 districts of Timor-Leste. NDAE intends to collect more detailed information on spending from Development Partners in the future to compile a more comprehensive data base.

Further information is contained in the circulated USB flash drive.

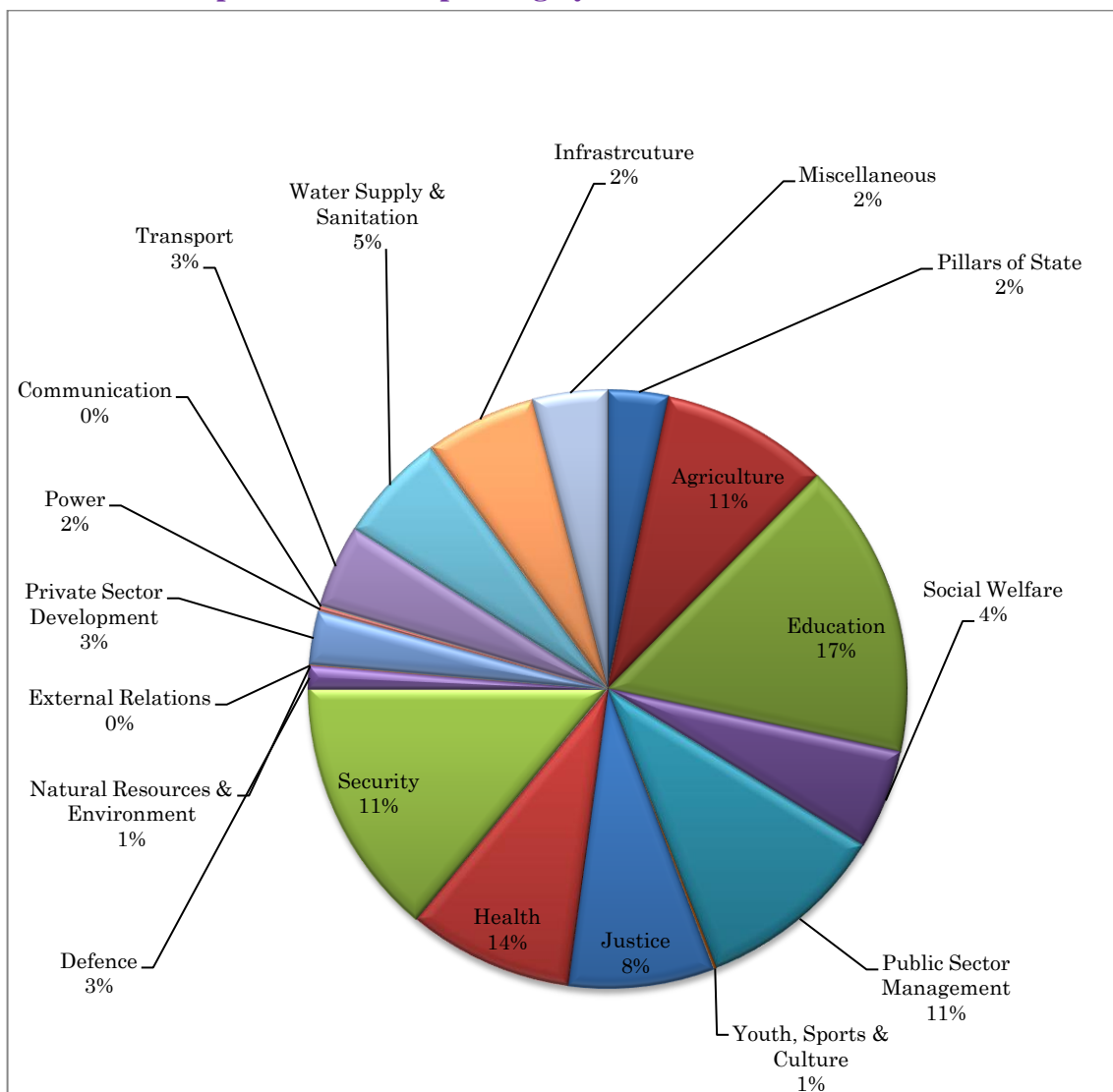
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Ministry of Finance**

Chart 1: Development Partners Spending by Ministries/SoS in 2009



Note: Only Ministries that will receive more than \$1 million are listed.

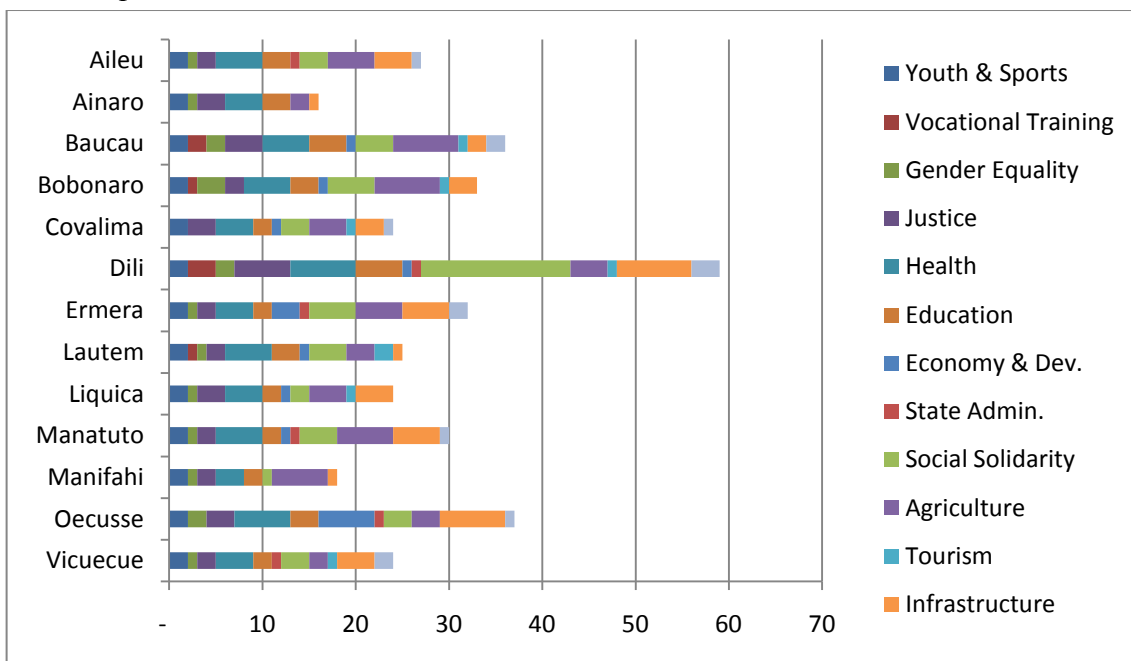
Chart 2: Development Partner Spending by Sectors in 2009



Note:

- 1) Public Sector Management includes support to the Ministry of Finance and Ministry of State Administration and Territorial Management.
- 2) Pillars of State include support to Office of the President, National Parliament, Office of the Prime Minister, Council of Ministers and National Committee for Elections.
- 3) Support to Secretary of State for Vocational Training and Employment is included in Education sector.

Chart 3: Number of Development Partner projects by Districts and Sectors (*projects whose impact is 'national' are not included.*)



Information Required

In order to ensure accurate and timely reporting, the minimum data requirements for each project are listed below. All items are included in the template provided by the Ministry of Finance.

Development Partner:

The funding agency or country making a financial commitment to a project from its core funding.

Project Name:

Project may include *technical cooperation* (such as technical cooperation project, feasibility studies, supply of adviser, supply of teacher, provision of scholarship, training course, student, research and development-oriented social and cultural program), *investment project*, *Development food aid* and *humanitarian aid*.

Government Office receiving the assistance:

Refers to the Ministry, Secretary of State or other Government office (usually Government signatory of MOU with development partners)

Implementing Agency:

The name of organization actually conducting the work on behalf of the development partner. Implementing agency can be multilateral agency, bilateral agency, NGOs and other organizations.

Expected Outcomes:

Expected outcomes may be described in the project document agreed by the Government. If project outcomes are not available, project objectives are made available..

Areas benefited:

Areas benefited from project(s) are selected from below.

- Aileu
- Ainaro
- Baucau
- Bobonaro
- Covalima
- Dili
- Ermera
- Lautem
- Liquica
- Manatuto
- Manufahi
- Oecussi
- Viqueque
- All Districts

- National

There are projects that do not have particular geographic areas, such as cases where there is a supply of a policy adviser and/or a project that supports a Ministry's management capacity. These projects do not benefit one particular area but are devised to benefit state building on the national level. In such cases, 'National' is selected.

Project Status:

Project status can be divided into 3 categories; Ongoing, Under Preparation and Completed. Under Preparation means that an indicative budget and purpose of the project has been agreed and approved by the development partner and Government (e.g., MoU is signed), but has yet to be mobilized.

Project Start/ Project Complete:

The definition of 'project start' may vary across development partners. The Ministry of Finance is interested in the date the project agreement was signed by the Government.

Currency:

Ideally, development assistance amounts are in the currency of the donor country. These values are converted by the Ministry of Finance to US\$ based on the standard exchange rates.

Exchange Rates Applied¹:

Exchange rates applied for the first quarter disbursement for 2009 (January – March) are described below. (Average exchange rates during the period)

Currency	Average Exchange Rate (2009s average)
Australian dollar	0.792734
Canadian dollar	0.875682
Euro	1.39478241
Japanese yen	0.010682
NZ dollar	0.635871
Swedish kroner	0.130791

¹ Source: IMF's website, http://www.imf.org/external/np/fin/data/param_rms_mth.aspx

Capital Development (%):

This is the percentage of the total amount that will be used for physical works.

Total Funding:

Total funding is the total amount which may be an agreed figure appearing in the agreement or MOU. The amount may be changed if additional funding is committed.

Core Funding:

Core funding is the amount of funds being provided from the reporting development partner, excluding any amounts that are coming from other development partners and channelled through an organization.

Non-Core Funding:

Non-core funding is the amount of funds that an organization is managing on behalf of another development partner.

Source of Non-core Funding:

The name of a country or an organization that achieves its purpose through an implementing agency. In addition to the name of country or organization, it is expected that information regarding the amount of funds provided by the organization is to be provided.

Actual Disbursement:

In the Paris Declaration, Development Partners agreed to provide reliable indicative pledges of aid over a multi-year span and disburse aid in a timely and predictable fashion. Actual disbursement here is the amount disbursed from January to December 2008.

Breakdown of Actual Disbursement:

Development Partners are requested to provide the breakdown of disbursement. For reference, the following is the Government's classification of expenditure.

1) Salaries/Wages

- Salary
- Overtime/Allowance

2) Goods & Services

- Local Travel
- Overseas Travel
- Training and Workshop
- Utilities
- Rental of Property
- Vehicle Operation Fuel

- Vehicle Maintenance
- Vehicle Rental, Insurance and Services
- Office Stationery and Supplies
- Operational Material and Supplies
- Fuel for Generators
- Maintenance of Equipment and Buildings
- Operational Expenses
- Professional Services
- Translation Services
- Other Miscellaneous Services
- Payment of Membership
- Current Transfer

3) Minor Capital

- Security Equipment
- EDP Equipment
- Communication Equipment
- Generators
- Water Equipment
- Office Equipment
- Other Miscellaneous Equipment
- Furniture and Fitting

4) Capital and Development

- Infrastructure Assets
- Major Capital Equipment

All updates are preferably done electronically via email and in a standard Excel spreadsheet provided by the NDAE, Ministry of Finance. Due to insufficient information, the NDAE was unable to provide further analysis or conclusions.

NDAE Team

Table 1: Status of Update²

Name of DPs	Last Update	Remarks
Bilateral Donors		
Australia	2March,2010	Not confirmed.
Brazil	9March, 2010	Not confirmed.
Canada	22March,2010	Suggestions were made and they are included.
China	10February,2010	Updated figures were not available.
Cuba	9Februaru,2010	Financial data was not available.
European Commission	3March, 2010	Not confirmed.
Finland	22March, 2010	Not confirmed.
France	9Februaru,2010	Updated figures were not available.
Germany	9Februaru,2010	No response to request for update in Feb. 2010
Indonesia	9Februaru,2010	Updated figures were not available.
Ireland	22March,2010	Not confirmed.
Italy	9Februaru,2010	No response to request for update in Feb. 2010
Japan	18March, 2010	Not confirmed.
Korea	18march,2010	Not confirmed.
Malaysia	10 Mar, 2009	Financial data is not available.
New Zealand	22March,2010	Suggestions were made and they are included.
Norway	9Februaru,2010	No response to request for update in Feb.2010
Portugal	19March,2010	Suggestions were made and they are included.
Spain	18March,2010	Confirmed.
Sweden	22March,2010	Confirmed.
Switzerland	9Februaru,2010	No response to request for update in Feb. 2010
Thailand	9Februaru,2010	Updated figures were not available.
United Kingdom	9Februaru,2010	Updated figures were not available.
U.S.A.	31March,2010	Confirmed.
Multilateral Agencies		
ADB	18March,2010	Not confirmed.
IFC	18March,2010	Confirmed.
IMF	19March,2010	Confirmed.
WB	22March,2010	Confirmed.

² The e-mail was sent to Development partners on February 9, 2010.

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Global Fund	9Februaru,2010	No response to request for update in Feb.2010
UN Agencies		
FAO	26February,2010	Not confirmed.
ILO	20March,2010	Suggestions were made and they are included.
IOM	19February,2010	Not confirmed.
UNCDF	18March,2010	Confirmed.
UNDP	21March,2010	Suggestions were made and they are included.
UNESCO	18March,2010	Confirmed.
UNFPA	9Februaru,2010	No response to request for update in Feb.2010
UNHCR	19February,2010	Not confirmed.
UNICEF	18March,2010	Confirmed.
UNIDO	18March,2010	Confirmed.
UNIFEM	18March,2010	Suggestions were made and they are included.
WFP	25March,2010	New update was made. They are included.
WHO	9Februaru,2010	No response to request for update in Feb.2010

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Annex:

Table: Disbursement rate and break down of spending in 2009

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No	Name	2009 Plan	2009 Actual	Dis. Rate	Break down			
					Salary/Wages	Goods & Services	Minor Capital	Capital development
Bilateral Development Partners								
1	Australia	84,734	84,102	99.3%				
2	Brazil	3,578	1,961	54.8%	1,825	83	0	53
3	Canada	963	771	80.1%				
4	China							
5	Cuba							
6	EC	10,507	12,935	123.1%				
7	Finland	924	822	87.3%				
8	France							
9	Germany							
10	Indonesia							
11	Ireland	5,314	5,725	107.7%				
12	Italy							
13	Japan	17,366	16,688	96.1%	0	9,452	34	7,203
14	Korea	1,407	1,377	97.9%	0	1,407	122	850
15	Malaysia							
16	New Zealand	4,419	4,419	100%	0	4,115	1	0
17	Norway							
18	Portugal	21,639	21,367	98.7%	7,175	8,361	256	425
19	Spain	14,748	14,748	100%				
20	Sweden	4,120	4,1200	100%				
21	Switzerland							
22	Thailand							
23	UK							
24	USA	28,908	28,596	98.9%	0	28,096	0	0
Multilateral Agency								
25	ADB	5,315	15,447	290.6%				
26	WB	34,064	17,116	50.2%	10,896	2,425	2,291	1,054
27	IFC	300	450	150%	218	90	0	0
28	IMF	292	292	100%	292	0	0	0
29	Global Fund							

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	UN Agency							
30	FAO	3,504	3,209	91.6%	664	1,463	709	373
31	ILO	7,051	5,574	79.0%	1,676	1,680	393	1,825
32	IOM		4,985		3,060	1,548	327	50
33	UNCDF	984	831	84.5%	705	127	0	0
34	UNDP	16,443	18,957	115.3%	6,434	11,503	654	0
35	UNHCR	67	62	92.5%	0	62	0	0
36	UNICEF	9,765	4,052	41.5%	0	4,052	0	0
37	UNFPA							
38	UNIFEM	3,005	3,267	108.7%	2,181	1,056	30	0
39	UNIDO	152	34	94.3%	22	12	0	0
40	UNESCO	261	198	91.8%	0	168	25	0
41	WFP	22,890	9,817	42.9%				
42	WHO							

Note:

1. The amount of disbursement by Multilateral and UN Agencies above includes funding reported by the bilateral development partner.
2. Ideally the total of breakdown items should equal the disbursement amount. However, some development partners have difficulty in disaggregating its spending. NDAE can only present information as given.

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Table: Development Partner Spending by Ministry in 2009

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Name of Ministry	2009 Plan	2009 Actual	Disb. Rate	Break down			
				Salary/ Wages	Goods & Services	Minor Capital	Capital development
Office of President	382	478	125.2%	310	0	0	0
National Parliament	2,908	4,523	155.5%	2,264	980	21	0
OPM	2,322	340	14.6%	0	2	0	0
SoS CoM	80	78	97.8%	75	3		
SoS Youth & Sports	1,046	367	35.1%	0	367	0	0
SoS Natural Resources	68	21	31.0%	0	21	0	0
SoS Vocational Training	14,229	11,694	82.2%	1,803	2,512	546	1,878
SoS Promotion of Equality	2,487	2,388	96.0%	1,094	588	15	0
M Defence and Security	36,606	36,686	100.2%	755	4,922	193	0
MFA	153	212	138.2%	77	13	5	0
MoF	21,023	15,179	72.2%	5,893	3,191	11	0
MoJ	17,585	18,123	103.1%	1,758	10,692	259	0
MoH	33,687	21,592	64.1%	1,253	8,942	611	1,261
MoE	35,592	27,054	76.0%	10,449	9,013	1,092	243
MSATM	12,171	9,880	81.2%	656	1,384	119	0
MED	8,420	3,623	40.6%	740	745	-1	0
MSS	11,653	13,044	111.9%	2,893	3,554	317	900
MoI	31,421	40,624	129.3%	158	3,131	530	5,235
MTCI	3,515	3,300	93.9%	0	3,300	0	0
MAF	19,956	21,967	110.1%	1,433	8,140	784	2,341
Tribunals							
Prosecutor General							
PDHJ	754	987	130.9%	185	522	1	0
Public Broadcast	1,116	920	82.4%	300	85	0	138
CNE	1,679	2,540	151.3%	518	890	33	0

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Anti Corruption Commission							
Public Service Commission							
Banking Payment Authority	6,465	6,465	100%	0	140	0	0
TOTAL	625,319	242,101	38.7%	32,615	63,054	4,535	11,996