



Timor-Leste

**SECOND CONSULTATIVE CONFERENCE ON PRINCIPLES FOR GOOD
INTERNATIONAL
ENGAGEMENT IN FRAGILE STATES AND SITUATIONS:
DEFINING PEACE-BUILDING AND STATE BUILDING OBJECTIVES FOR
TIMOR-LESTE**

17–18 September 2009
Health Science Institute,
Comoro, Dili, Timor-Leste



ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT



Australian Government
AusAID

BRIEF BACKGROUND AND PROCESS

Timor-Leste: Part of the G-7 of Fragile States Post-Accra in September 2008

- Timor-Leste - signatory to the Paris Declaration Principles on Aid Effectiveness in March 2005

Alignment, Onweship, Harmonisation, Managing for Results, Mutual Accountability

- Third High Level Forum in Accra, Ghana (September 2009) : Timor-Leste volunteered to be one of the G-7 Fragile States to monitor Principles for Good International Engagement in Fragile States and Situations.
- Preparatory Meeting in Paris (December 2008), Geneva (March 2008)
- First Consultative Meeting for Monitoring Principles for Good International Engagement in Fragile States in Dili : 2-3 March 2009 (refer to OECD DAC 010 Principles)

OVERVIEW

Current status:

- Significant progress made
- Ongoing dialogue around security sector reform
- Continued strong support and engagement from international community

Priority Actions – Looking forward:

- Continued focus on peace-building and state-building
- Moving toward medium- to long-term planning
- Better coordination and division of labor amongst international actors
- Increased focus on rural development & marginalized groups

PRINCIPLE 1:

Take context as the starting point

Current status:

- Broad recognition of centrality of state-building and capacity development, however:
- Hampered by short-term planning and changing context (i.e. crises)

Priority Actions – Looking forward:

- Sharing of analysis amongst international actors
- Alignment with medium-term planning framework (when available)

PRINCIPLE 2:
Do no harm

Current status:

- International actors competing with government for skilled Timorese staff
- Ideal rather than “good enough” governance
- “Dili-centric” focus of development efforts

Priority Actions – Looking forward:

- Support “Timorese-appropriate” governance structures
- Increased attention to rural development

PRINCIPLE 3:

Focus on state-building as the central objective

Current status:

- Most important of all Principles and key element of peace-building – also well reflected in current focus of ODA

Priority Actions – Looking forward:

- Improved service delivery to ensure legitimacy and stability over time
- Civil society / checks and balances / oversight
- Shared assessment and commitment to capacity building
 - Longer-term approach
 - Focus on soft (leadership) and hard (technical) skills

PRINCIPLE 4:
Prioritise prevention

Current status:

- Very good progress made to date, but peace-building is long-term process

Priority Actions – Looking forward:

- Caution against moving too quickly to “development as usual”
- Continue security sector reform, but also invest in dialogue and peace-building at community level
- Improved service delivery and employment opportunities

PRINCIPLE 5:
Recognize the links between political, security and development

Current status:

- Generally well recognized

Priority Actions – Looking forward:

- Integrated approach
- Longer term development programs to back up short term crisis response measures (ie. cash transfers)
- Improved coordination amongst international actors on security sector reform

PRINCIPLE 6:**Promote non-discrimination as a basis
for inclusive and stable societies****Current status:**

- Dili-centric development (slowly changing)
- Strong focus on state-building

Priority Actions – Looking forward:

- More attention to vulnerable groups esp. women & youth
- More support for and engagement with civil society
 - Multi-year funding to support planning and delivery
 - CSOs/NGOs not just delivery agents

PRINCIPLE 7:**Align with local priorities in different ways
in different contexts****Current status:**

- Short-term planning, in absence of medium-term planning framework
- Insufficient flexibility

Priority Actions – Looking forward:

- Alignment around medium-term planning framework
- Retain sufficient flexibility to respond to emerging priorities (to the extent possible)

PRINCIPLE 8:**Agree on practical coordination mechanisms between international actors****Current status:**

- Coordination mechanisms established, but yet to deliver tangible outcomes
- Still too many discrete development activities
- Supply driven development

Priority Actions – Looking forward:

- Reduce fragmentation of ODA (e.g. more coordinated activities, greater use of MDTFs, SWAps)
- Timorese-led, with clear pathway for approval of development programs

PRINCIPLE 9:**Act fast...but stay engaged long enough to give success a chance****Current status:**

- Quick action in response to crisis
- Partners remain committed and engaged

Priority Actions – Looking forward:

- Better information on development partner financial commitments to inform the national budget process
- Maintain sufficient flexibility to respond to emerging priorities (to the extent possible)

PRINCIPLE 10:
Avoid pockets of exclusion

Current status:

- Programming is not deliberately discriminatory
- Concerns about deepening rural-urban divide

Priority Actions – Looking forward:

- Decentralization of service delivery
- Better division of labor among international actors along geographic and/or sectoral lines
- Improved M&E to ensure programs are meeting objectives, particularly in rural areas
- Better engagement with civil society

Next Steps

FEEDBACK FROM ALL STAKEHOLDERS Stakeholders provide comments on the Draft Report version 1: (a) at the second consultative meeting on the Principles, 17-18 September 09; (b) in writing to National Coordinator, Helder da Costa (hdacosta@mof.gov.tl) and International Focal Point, Homa-Zahra Fotouhi (hfotouhi@worldbank.org) by September 30th 2009

FINALISATION OF REPORT The consultant (with support from the OECD) revises the Draft Report to take into account comments made, by 5 October

Next Steps

PUBLICATION OF REPORT

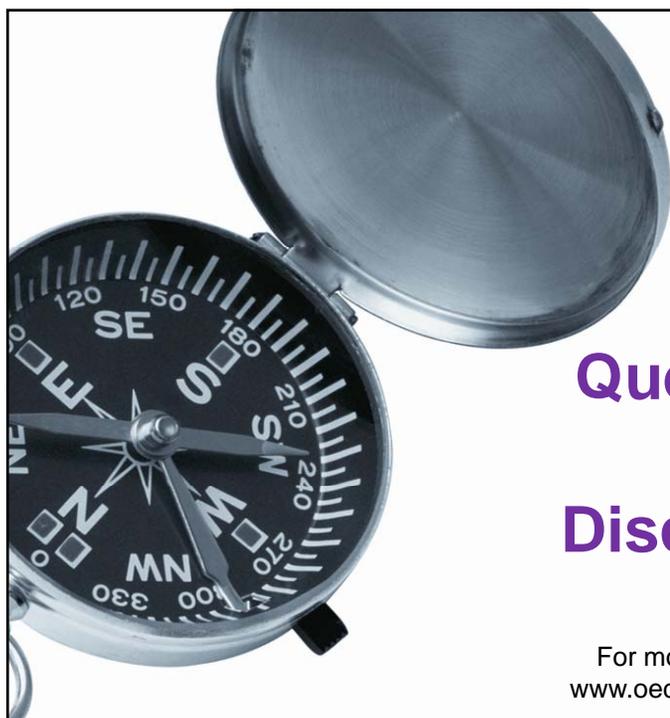
The OECD publishes the Timor-Leste Country Report along with the other 5 Country Reports, by 15 December

GLOBAL PROGRESS REPORT

The OECD prepares a Global Progress Report summarising key findings from the 6 Country Reports. All reports are presented at the director-level meeting of the OECD International Network on Conflict and Fragility in Washington DC, February 2010

ROUND TWO OF PRINCIPLES MONITORING (2011)

The second round of Principles monitoring highlights progress made since the baseline in 2009.



Questions & Discussion

For more information:
www.oecd.org/fsprinciples



Timor-Leste

PRIORITY ACTIONS

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PRINCIPLE 1.
TAKE CONTEXT AS
A STARTING POINT

International actors to share their respective analyses of context and agree (if possible) on a common diagnostic with national stakeholders as a basis to inform the draft Strategic Development Framework.

PRINCIPLE 2.
DO NO HARM

Government of Timor-Leste and international actors to increase investment in rural areas and broaden the reach beyond the most accessible, visible places (i.e. address the rural-urban divide)

International actors to support the government to develop “Timor-appropriate” systems of governance (or “good enough” governance) rather than impose ideal systems

International actors to reduce salary differentials between international organisations and government (eg. by topping up some key government positions; bringing international salaries in line with Timor-Leste’s status as a stable country).

PRINCIPLE 3. International actors to continue to support Government efforts to build an effective and accountable state, with emphasis on strengthening line ministries and improving service delivery.

**FOCUS ON
STATE-
BUILDING AS A
CENTRAL
OBJECTIVE**

Government to develop a capacity-strengthening strategy with guiding principles for technical assistance. For example, (i) start with a government request (with clear ToRs) and a shared assessment of capacity needs; (ii) systematise phase-out strategies (i.e. what Government has to do; transfer of knowledge from advisers; hiring of Timorese counterparts; peer training; advisory versus executive positions; striking the right balance between technical and managerial skills, and building resilient institutions).

Government and development partners to strengthen the roles of Parliament, civil society and the media as checks and balances

Ministry of Defence to conduct security review and development-defense strategy, to which international actors will then align.

PRINCIPLE 4. Government and international actors to promote an integrated approach to peace: not just centred on security, but also prevention through food security, access to justice, reconciliation and behavioural change.

**PRIORITISE
PREVENTION**

Government and development partners to invest in rural development (including infrastructure), private sector development (employment and livelihoods, especially in rural areas and especially for youth).

Development partners to support the Governments decentralization process.

PRINCIPLE 5. A Principle well respected by all but with varying understandings as to how these links play out in a context such as Timor-Leste.

**RECOGNISE THE
LINKS BETWEEN
POLITICAL,
SECURITY AND
DEVELOPMENT
OBJECTIVES**

**PRINCIPLE 6.
PROMOTE NON-
DISCRIMINATION AS A
BASIS FOR INCLUSIVE AND
STABLE SOCIETIES**

Government and development partners to agree a division of labour by sector and / or region to avoid being over Dili-centric

Government and international actors to promote access to justice, social communication and gender.

Government and international actors to systematise and deepen the dialogue with civil society (including representatives from youth groups, private sector) through the National Priorities process, and promote the role of women and youth as agents of change.

**PRINCIPLE 7.
ALIGN WITH LOCAL
PRIORITIES IN DIFFERENT
WAYS IN DIFFERENCE
CONTEXTS**

Government to put in place a multi-year, medium term development framework with clear sector strategies. Development partners to move to full alignment with the government's development framework, while maintaining a degree of flexibility to respond to emerging priorities.

Aid Effectiveness Directorate (Ministry of Finance) to share data on aid programs with development partners and line ministries to support improved alignment.

Government and development partners to commit to aligning on sector strategies whenever possible and moving over time towards budget support (including strengthening underlying systems eg, budgeting, procurement, audit so that they can support increasing use of aid funds).

**PRINCIPLE 8.
PRACTICAL
COORDINATION
MECHANISMS**

Government to clarify the pathway for development partner engagement. (*i.e.* clarify the respective roles of Ministry of Foreign Affairs; Ministry of Finance, Aid Effectiveness Directorate, National Priorities Secretariat and line ministries in terms of donor engagement and coordination). (eg. What path should program approvals take?)

International actors to work with national stakeholders to identify mechanisms for better high level coordination and dialogue between international actors and national stakeholders.

Development partners to redouble efforts to extend existing coordination mechanisms (eg. Multi-donor trust funds, delegated arrangements, shared offices, and joint missions on same subjects).

International actors to agree on a division of labour by sector and possibly appoint focal point organisations or countries by sector.

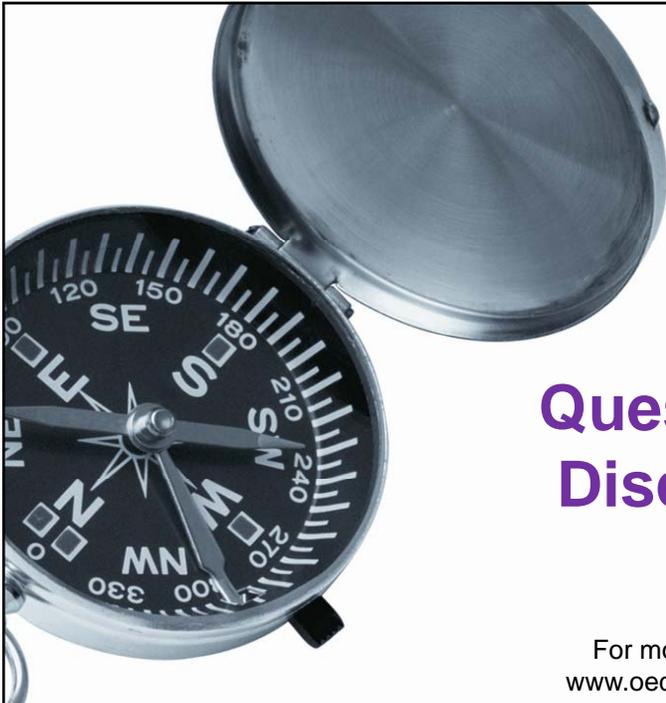
**PRINCIPLE 9.
ACT FAST... BUT STAY
ENGAGED LONG ENOUGH
TO GIVE SUCCESS A
CHANCE**

International actors to improve their rapid response capacity, including sufficient flexibility to respond to short term priorities identified in the National Priorities process

Government and international actors to move towards longer-term development, but caution against moving towards “development as usual” too fast, given persistent elements of fragility.

**PRINCIPLE 10.
AVOID POCKETS OF
EXCLUSION**

Ministry of Finance and development partners to provide breakdown of aid by district.



Questions & Discussion

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TIMOR-LESTE SPECIFIC INDICATORS FOR CONSIDERATION

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Timor-Leste Specific Indicators for Consideration

Thematic Area 1:
Improving Strategic Alignment

Do development partners align their programs with Timor-Leste’s national priorities and Strategic Development Plan?

- Overall yes
- Not consistently
- Overall no

Y/N	Potential Illustrative Indicator
	100% of Development Partners adhere to Government of Timor-Leste policies on in-country donor spending.
	Ministries do not request funding for projects or sectors that are not aligned with Timor-Leste’s Strategic Development Plan (SDP).
	All Development Partner Country Strategies are submitted to and scrutinized by the National Directorate for Aid Effectiveness (NDAE).
	The NDAE provides feedback to all Development Partner Country Assistance Strategies
	All Development Partner assistance is demonstrably aligned with Timor-Leste’s annual National Priorities and forthcoming multi-year Strategic Development Plan.

Timor-Leste Specific Indicators for Consideration

Thematic Area 2: Improving Communications

To what extent is the quality of communication between Development Partners and the Government of Timor-Leste's Government seen to be improving?

- Significant increases in quality
- Some increase in quality
- No increase / decreased quality

Y/N	Potential Illustrative Indicator
	All Development Partners and Government entities develop and utilize communications strategies to inform beneficiaries of project successes and challenges.
	A format for donor disbursement reporting is produced by the NDAE and agreed upon by all Development Partners.
	Development Partners are able to provide all project documentation to relevant Ministries.
	MoUs developed and signed between Ministries and Development Partners for all projects implemented.
	Government and Development Partner communication systems are strengthened so that there are clear roles and responsibilities on both sides to facilitate DP project information flows.
	# of Ministries that are able to produce strategic planning documents to guide DP programming

Timor-Leste Specific Indicators for Consideration

Thematic Area 3: Improving Operations

To what extent are Development Partners cognizant and respectful of the Government of Timor-Leste's preference regarding in-country operational processes?

- Cognizant and respectful
- Increasingly aware, and have modified programming to reflect this
- Not aligned with GoTL preferences
- No increase / decreased quality

Y/N	Potential Illustrative Indicator
	Clear guidelines relating to Development Partner hiring of Technical Assistance (TA) are established and adhered to.
	There is a decrease in the number of missions deployed to Timor-Leste
	There is an increase in the number of joint-missions deployed to Timor-Leste
	Development Partners adhere to Timor-Leste 'No Missions Months' policy.
	Development Partner missions adopt an increasing degree of uniformity
	Development Partner missions seek out consultation with civil society, 'grass-roots populations' and beneficiaries and participation of marginalized groups
	Development Partners increasingly place TA within the Ministries they are supporting rather than keep them within their own offices.
	Development Partner programming actively tries to prevent pockets of exclusion.

Timor-Leste Specific Indicators for Consideration

Thematic Area 4:
The donor-citizen relationship

Does results-oriented programming feature prominently in Development Partners program in Timor-Leste?

- Yes, for the most part
- Yes, but not sufficiently
- No or marginally

Y/N	Potential Illustrative Indicator
	The results of all missions are made accessible to beneficiary populations.
	Beneficiaries are increasingly involved in program development, monitoring and evaluation processes (DM&E).
	Government systems are put in place so that the recommendations from project impact evaluations can be accessed by beneficiary populations.
	Beneficiary populations consulted to see whether they agree with reported project outcomes.

Timor-Leste Specific Indicators for Consideration

Thematic Area 5:
Rural populations

Are the best interests of rural populations sufficiently taken into consideration when Development Partners are developing programs?

- Yes, for the most part
- Yes, but not sufficiently
- No or marginally

Y/N	Potential Illustrative Indicator
	All Development Partners demonstrate that their programming does not leave certain groups behind (i.e. rural populations).
	Development Partners demonstrate an increased emphasis on tangible benefits for rural populations.

