



**2011 TLDPM**

# **Development Partner Disbursement Report**

## **CALENDAR YEAR 2010**

**PREPARED BY THE  
NATIONAL DIRECTORATE FOR AID EFFECTIVENESS  
(NDAE)/ MINISTRY OF FINANCE (MoF)-RDTL  
JULY 2011**



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## Overview

The Ministry of Finance is pleased to release the 2010 end of fiscal year report on external assistance to Timor-Leste. The data contained in this report was compiled by the National Directorate for Aid Effectiveness (NDAE). 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 are 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 in providing the necessary information in a timely and accurate manner. The most recent request for data took place in March 2011, 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.

**July 2011**

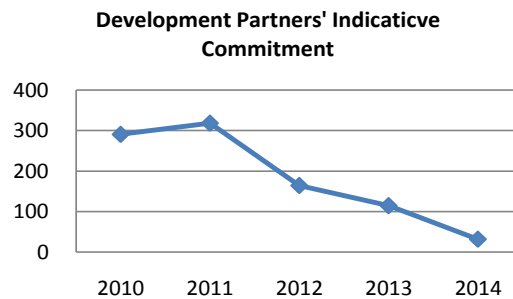
**National Directorate of Aid Effectiveness (NDAE)**

**Ministry of Finance, Democratic Republic of Timor-Leste**

## Development Partners Spending in 2010

### Indicative Commitments

Development Partners committed a total of \$345.0M for development assistance to Timor-Leste; \$290.7M was disbursed in 2010. The graph below shows the downward trend in projected assistance from Development Partners in the next four years from \$318.4M in 2011, \$164.3M in 2012, \$114.5M in 2013 and \$31.5M in 2014.

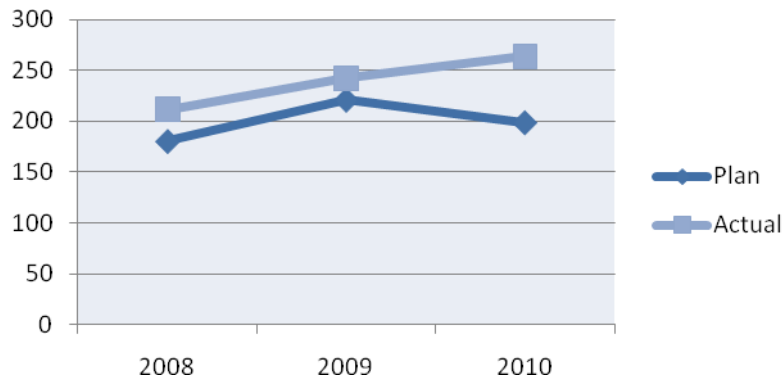


This downward trend occurs every year. NDAE has observed that most countries and organizations adopt single year budget cycles, therefore making it difficult to show multiyear budget projections. Furthermore, some Development Partners have their own country strategies, which last for several years, in which not all of the project budgets are indicated in the project list. This has made it difficult to create a complete profile of the development landscape.

### Past Trends in Combined Sources Budgets

NDAE has been accumulating data from 2008, when the present system was started. According to the 2011 Combined Sources Budget (CSB) the trend shows the opposite of what is expressed by Indicative Commitments. The graph below is a comparison of planned CSB and actual CSB disbursement and shows actual CSB trending upwards. However, Development Partners remain committed to supporting Timor-Leste.

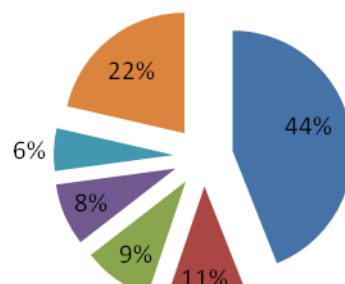
Comparison of Planned CSB and Actual Disbursement



## Bilateral Development Partners

In the most recent update from March 2011, NDAE received updated project information from 15 bilateral development partners, 4 multilateral agencies and 11 UN agencies. Bilateral development partners contributed \$265.2M. The top five bilateral development partners in 2010 included Australia (\$110.5M), the USA (\$28.0M), Japan (\$23.4M), Portugal (\$21.0M) and the EC (\$14.4M). Their spending represents 78.6% of the total spending of all bilateral development partners.

Australia ■ USA ■ Japan ■ Portugal ■ EC ■ others



## Disbursement by Ministries

The disbursement of \$290.7M consists of \$263.9M for support to the Government Office and related sector by Ministry. \$26.8M for Non Government sectors whose activities cannot be categorized to a particular Government Ministry. (e.g. support to civil society). Out of the \$263.9M, \$46.3M was spent for projects related to the Ministry of Security and Defence. It is followed by Ministry of Education's \$35.4M and \$33.2 M for Ministry of infrastructure.

## Disbursement by Major Sectors

Development Partner spending by sector in 2010 can be seen in the second chart. The majority of Development Partner spending is attributed to 5 main sectors: Education (16%), Security (13%), Health (11%), Private Sector Development (11%) and Agriculture (9%). (See Chart 2 below)

### Education Sector

Development Partners spent US\$41.5 million in this sector. With language education as one of the most urgent areas of development a large amount of the budget was devoted to Portuguese Language projects. Primary, secondary and basic education is also an areas supported by Development Partners. This funding differs from programs like the training of teachers and school feeding programs.

As for higher education, the National University of Timor-Lest receives the most support from Development partners. Additionally, development partners provide scholarships for students to study abroad.

Employment promotion is also an important area for Development Partners. A large amount of the budget was spent in this area.

### Security Sector

Development Partners have provided assistance to the PNTL in order to build security capacity. Concerning UN withdrawal from Timor-Leste, the strengthening of the PNTL is an urgent matter for the country and Development Partners have been instrumental in responding to the needs of the

Government. Furthermore, community policing has been an important issue and projects have been implemented in order to establish more friendly police systems for local communities. The total disbursement to this sector was US\$35.6 million.

### **Infrastructure Related Sectors**

Development Partners disbursed US\$33.2 million in total to the infrastructure related sectors. Water supply and sanitation sector are the largest sectors that Development Partners supported in 2010. Additionally, Development Partners provided funds for the transportation sector, constructing roads, bridges and a seaport.

### **Health Sector**

Aid supporting the health sector was disbursed across a variety of large and small projects. These included projects pertaining to women and children and large projects designed to scale-up the country's health system, reduce the child mortality rate and protect pregnant women. A total of US\$28.9 million was disbursed in this sector.

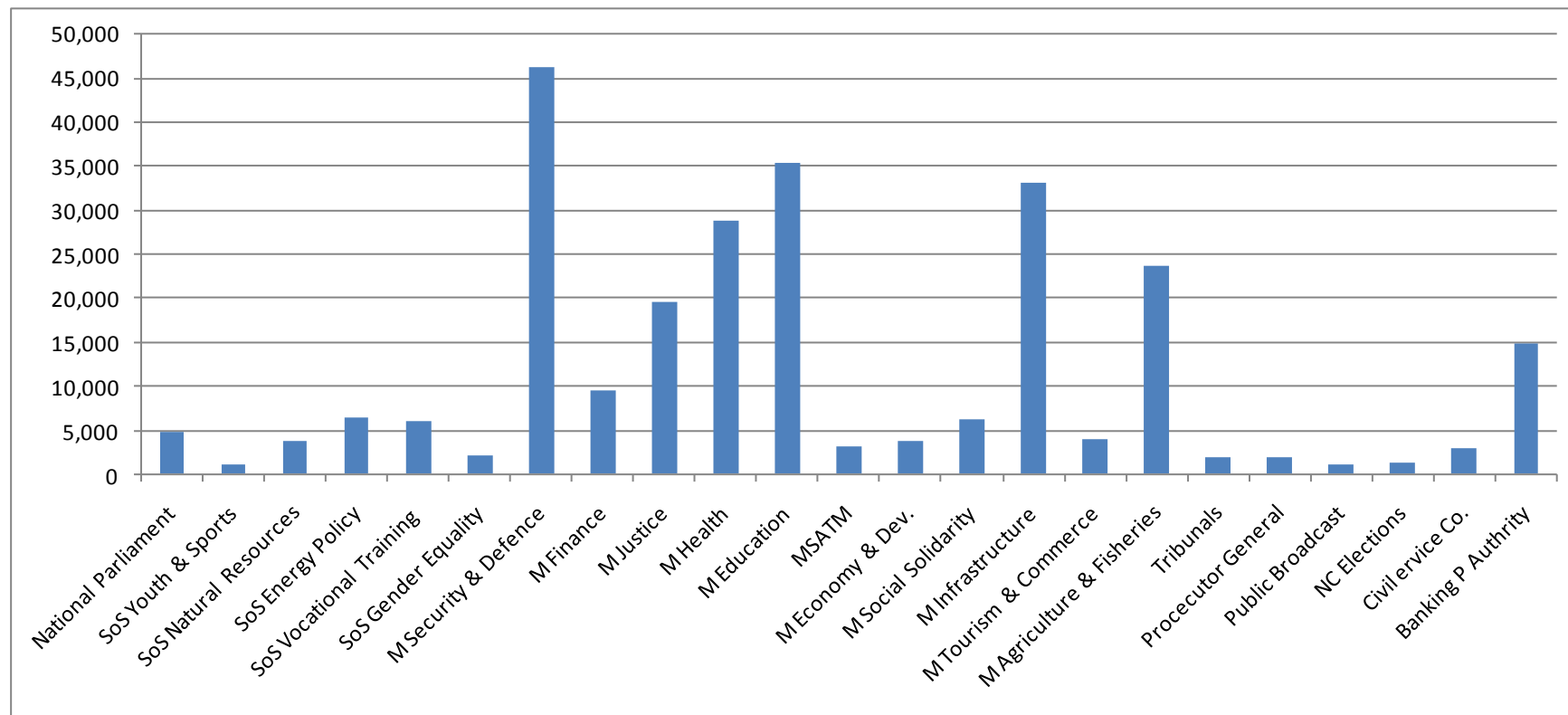
### **Agriculture Sector**

Development Partners invested in big projects related to rural development in order to address food security issues. These projects have adopted comprehensive approaches that cover a wide variety of activities based on the needs of communities. Rice, being a food staple, is important for the food security of Timor-Leste and resulted in major projects being implemented to increase its production. Projects on coffee production are also implemented by Development Partners. These projects cover all steps from production to business activities and help to contribute to the future exports of Timor-Leste. The total amount of Development Partners contribution to this sector in 2010 was US\$23.7 million.



Development Partners Spending by Ministries/Secretariats of State in 2010

\$, 000



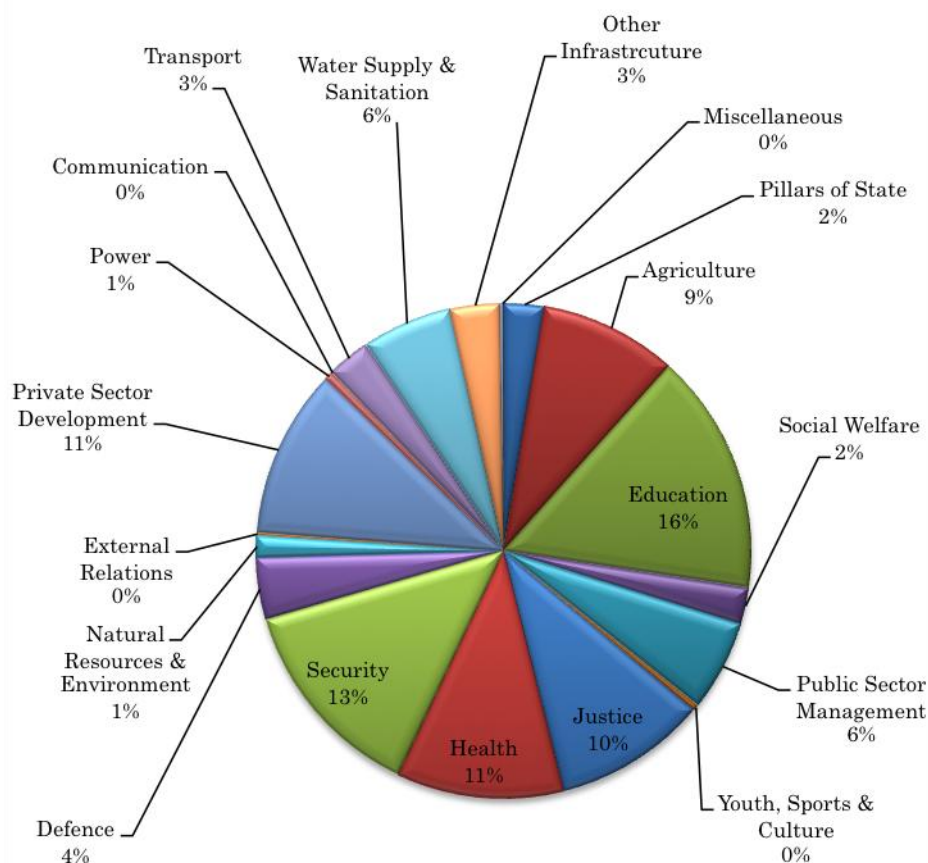
Note: Only Ministries/SoS that will receive more than \$1 million are listed.

### Private Sector Development

In the past, this sector has received rather small amounts of Development Partners support. In 2010 a total amount of US\$ 29.0 million in aid was provided. Aid funds went to projects related to micro-finance, sustainable energy, policymaking support, human development, etc.

### Public Sector Management

Development Partners disbursed USD\$15.6 million for Public Sector Management projects<sup>1</sup>, with major allotments focusing on capacity building. The largest project aims to improve capacity on financial management among ministries and local entities in order to strengthen planning, budgeting and execution management. Development Partners have also focused support on the training of civil servants in various areas to reduce poverty and increase efficiency and accountability.



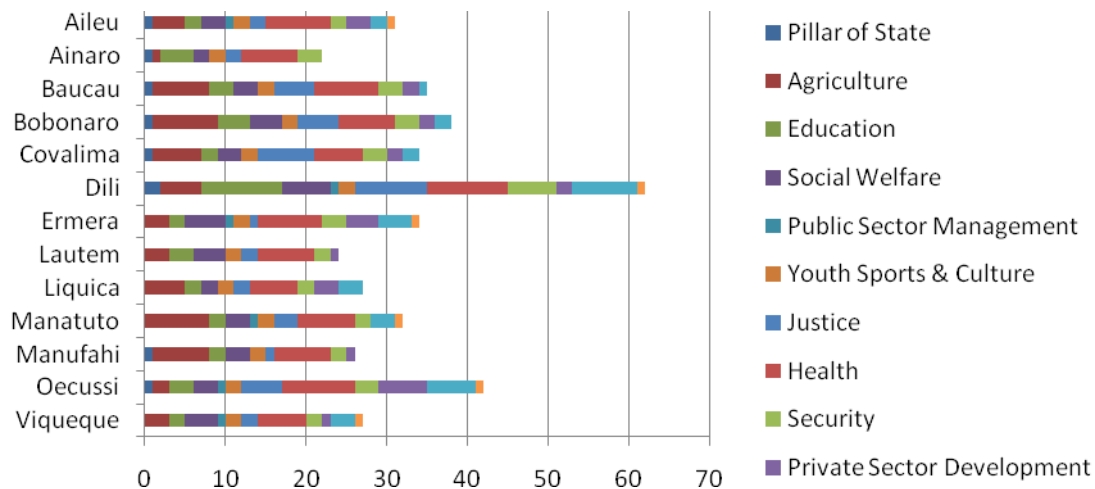
**Development Partner Spending by Sectors in 2010**

<sup>1</sup> Public Sector Management includes support to the Ministry of Finance and Ministry of State Administration and Territorial Management. 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. Support to Secretary of State for Vocational Training and Employment is included in Education sector.

## District Projects

The following chart shows that Development Partners are implementing 62 projects, with the largest number focused in the capital Dili, followed by Oecusse with 42 projects and Bobonaro with 38 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 database.

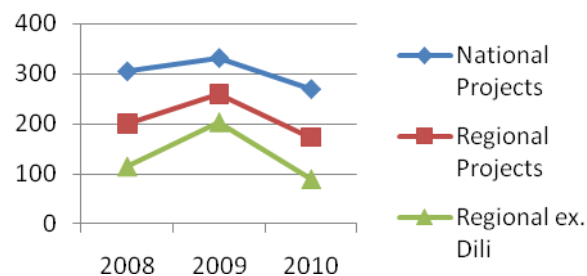
**Number of Development Partner Projects by Districts and Sectors**



*Note: Projects whose impact is 'national' are not included.*

## National vs. Regional Project Comparison

Development Partners implement more national projects than regional projects. This trend has continued for the last three years, however the actual number of projects themselves differs from year to year. As can be seen in the graph below, the Dili district has an unusually large number of projects when compared to other districts and can skew the analysis when this is not taken into account.



## ANNEX A: 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 projects, 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	Liquica
Ainaro	Manatuto
Baucau	Manufahi
Bobonaro	Oecussi
Covalima	Viqueque
Dili	All Districts
Ermera	National
Lautem	

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 upon 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 Applied<sup>2</sup>:

Exchange rates applied for disbursement of 2010 (January – December) are described below. (Average exchange rates during the period)

Currency	Average Exchange Rate (Jan-Dec 2010 Average)
Australian Dollar	0.918732
Euro	1.32648
Japanese Yen	0.011386
NZ Dollar	0.720553
Norwegian Kroner	0.165481
Swedish Kroner	0.1387467

#### 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.

<sup>2</sup> Source: IMF's website, [http://www.imf.org/external/np/fin/data/param\\_rms\\_mth.aspx](http://www.imf.org/external/np/fin/data/param_rms_mth.aspx)

### 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  
 Major Capital Equipment

### 4) Capital and Development

Infrastructure Assets

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

## ANNEX B: Status Update<sup>3</sup>

Development Partner	Last Update	Remarks
<b>Bilateral Donors</b>		
Australia	16 May 2011	Not confirmed.
Brazil	16 May 2011	Not confirmed.
Canada		No response to request for update in Jan. 2011.
China	16 May 2011	Confirmed.
Cuba	30 March 2011	Financial data was not available.
European Community	19 April 2011	Confirmed.
Finland	16 May 2011	Not confirmed.
France	19 April 2011	Confirmed.
Germany	13 April 2011	Not confirmed.
Indonesia		No response to request for update in Jan. 2011.
Ireland	21 April 2011	Confirmed.
Italy		No response to request for update in Jan. 2011.
Japan	16 May 2011	Not confirmed.
Korea	19 April 2011	Confirmed.
Malaysia	22 March 2011	No projects were implemented.
New Zealand	20 April 2011	Confirmed.
Norway		No response to request for update in Jan.2011
Portugal	16 May 2011	Not confirmed.
Spain	16 May 2011	Not confirmed.
Sweden	27 April 2011	Confirmed.
Switzerland		No response to request for update in Jan. 2011.
Thailand	18 April 2011	Not confirmed.
United Kingdom		No response to request for update in Jan.2011
U.S.A.	20 April 2011	Suggestions were made and they are included.
<b>Multilateral Agencies</b>		
ADB	16 May 2011	Not confirmed.
IFC		No response to request for update in Jan.2011.
WB	19 April 2011	Confirmed.
Global Fund		No response to request for update in Jan.2011
<b>UN Agencies</b>		
FAO	16 May 2011	Not confirmed.
ILO	26 April 2011	Confirmed.
IOM	20 April 2011	Confirmed.
UNCDF	19 April 2011	Confirmed.
UNDP	16 May 2011	Not confirmed.
UNESCO	27 May 2011	Confirmed.

<sup>3</sup> The e-mail was sent to Development Partners on January 17, 2011.

UNFPA	16 May 2011	Not confirmed.
UNHCR	16 May 2011	Not confirmed.
UNICEF	2 June 2011	Confirmed.
UNIDO		No response to request for update in Jan.2011.
UN Women	19 April 2011	Confirmed.
WFP	20 April 2011	Confirmed.
WHO	25 April 2011	Suggestions were made and they are included.

## ANNEX C: Disbursement Rate & Breakdown of Spending in 2010

No	Name	2010 Plan	2010 Actual	Dis. Rate	Break down			
					Salary/ Wages	Goods & Services	Minor Capital	Capital develop ment
Bilateral Development Partners								
1	Australia	93,772	110,547	117.9%				
2	Brazil	4,244	2,479	58.4%	1,500	686	293	0
3	Canada							
4	China	14,000	14,000	100.0%				
5	Cuba							
6	EC	18,425	14,360	77.9%				
7	Finland							
8	France	28	27	97.5%	0	27	0	0
9	Germany	5,590	7,385	132.1%	2,287	3,755	1,343	0
10	Indonesia							
11	Ireland	5,145	5,167	100.4%	722	55	0	0
12	Italy							
13	Japan	32,687	23,398	71.6%	219	9,466	0	13,258
14	Korea	9,778	3,540	36.2%	0	3,380	0	3,498
15	Malaysia							
16	New Zealand	6,215	6,089	98.0%	2,884	2,997	189	17
17	Norway	6,691	6,691	100%				
18	Portugal	22,401	35,233	157.3%	7,754	5,104	602	283
19	Spain	6,656	3,256	49.0%	1,294	2,014	851	1,216
20	Sweden	4,579	4,579	100%				
21	Switzerland							



22	Thailand	378	378	100%				
23	UK							
24	USA	32,263	28,035	86.9%	160	30,113	0	0
	Multilateral Agency							
25	ADB	2,529	5,296	209.4%	3,454	1,236	453	60
26	WB	26,814	19,193	71.6%	9,856	5,352	3,011	973
27	IFC							
28	Global Fund							
	UN Agency							
29	FAO	3,816	2,894	75.8%	639	1,489	510	0
30	ILO	5,090	5,001	98.3%	1,865	598	448	2,091
31	IOM	4,439	4,060	91.5%	2,389	1,139	137	395
32	UNCDF	3,117	2,146	68.8%	866	1,280	0	0
33	UNDP	21,195	16,988	80.1%	3,124	13,388	476	0
34	UNHCR	100	100	100.0%	0	43	0	0
35	UNICEF	9,522	6,069	63.7%				
36	UNFPA	3,441	1,684	48.9%	395	1,283	6	0
37	UN Women	1,970	708	35.9%	155	545	8	0
38	UNIDO							
39	UNESCO	238	138	55.2%	41	78	12	0
40	WFP	23,770	7,539	31.7%				
41	WHO	1,847	514	27.8%	0	514	0	0

*Note: The amount of disbursement by Multilateral and UN Agencies above includes funding reported by the bilateral development partner. 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.*

## ANNEX D: Development Partner Spending by Ministry in 2010

Name of Ministry	2010 Plan	2010 Actual	Disb. Rate	Break down			
				Salary/ Wages	Goods & Services	Minor Capital	Capital development
Office of President	246	239	97.4%	133	8	0	0
National Parliament	5,838	4,727	81.0%	214	3,905	0	0
OPM	676	676	100%	166	12	0	0
SoS CoM	82	20	24.1%	15	5	0	0
SoS Youth & Sports	1,349	1,068	79.2%	0	0	0	0
SoS Natural Resources	3,611	3,727	103.2%	0	930	0	148
SoS Energy Policy	6,170	6,436	104.3%	0	743	0	5,693
SoS Vocational Training	7,605	6,121	80.5%	2,068	737	668	2,091
SoS Promotion of Equality	3,576	2,223	62.2%	730	927	12	0
M Defence and Security	35,689	46,340	129.8%	2,902	3,411	122	0
MFA	721	602	83.5%	346	251	5	0
MoF	24,333	9,448	38.8%	4,550	5,112	7	0
MoJ	21,404	19,617	91.7%	2,356	11,855	232	0
MoH	36,083	28,874	80.0%	2,347	14,816	196	658
MoE	50,167	35,403	70.6%	10,751	8,744	3,026	3,726
MSATM	5,422	3,149	58.1%	875	1,175	345	0
MED	5,449	3,812	70.0%	917	2,546	244	0
MSS	9,649	6,300	65.3%	1,333	2,119	120	395
MoI	43,676	33,162	75.9%	3,612	3,249	611	7,626
MTCI	4,027	3,935	97.7%	0	3,662	0	0
MAF	25,657	23,714	92.4%	3,037	8,823	2,009	588
Tribunals	1,697	1,922	113.3%	0	0	0	0
Prosecutor General	1,697	1,922	113.3%	0	0	0	0
PDHJ	586	468	79.9%	137	327	4	0
Public Broadcast	1,131	657	58.1%	237	213	58	0
CNE	1,591	1,301	81.8%	551	735	15	0
Anti Corruption Commission	184	184	100%	0	184	0	0
Civil Service	2,925	3,025	103.4	108	1,007	38	0

Commission							
Banking Payment Authority	7,440	14,787	198.8%	0	0	0	0
TOTAL	308,635	263,860	85.5%	37,385	75,494	7,711	20,925

## ANNEX E: Timor-Leste's Financial Contribution by Government Resolution in 2010

Timor-Leste donated emergency relief to four countries in 2010. The total amount donated was US\$ 2,600,000.

Country	Amount (US\$,000)	Issue
Haiti	500	Earthquake
Chile	350	Earthquake
Madeira	750	Floods
Indonesia	1,000	Volcano, Earthquake