



Aid Management Effectiveness Policy (AMEP)

Objective:

Present Aid Management Effectiveness Policy to Development Partners

(QDPM, 17 May 2017. MoF- Aitarak Laran)

Current Problems with Aid Assistance

1. *Aid assistance is mostly project- and not programme-based*

- Focus on short-term results rather than long-term approaches
- Fragmentation of aid projects

2. *Transparency problems*

- Over-reliance on self-reported figures
- Limited reporting of donors
- Limited analytical capacity
- Limited country-owned M&E system

3. *Many point of entry*

- Bypassing entities with role of coordination

Aid Management Effectiveness Policy

1. Context for Aid Management Effectiveness Policy
2. Institutional Arrangements for Aid Coordination
3. Implementing and Monitoring
4. Aid Modalities

Contents of Aid Management Effectiveness Policy

1. Context for Aid Management Effectiveness Policy

- I. Effective Development Assistance is based on sound working relationship between Government and development partners.
- II. Aid Management Effectiveness Policy is based on effective development partnerships and the New Deal Principles (*country-owned and country-led development*)
 - Planning framework
 - **International Commitments**
 - Legislative Framework
 - **Principles of Customs and Taxation**
- III. Aid Management Effectiveness Policy will result in:
 - gradual decrease in off-budget support
 - improved predictability of development resources
 - increased efficiency of development assistance through reduction in overhead and transaction cost
 - Alignment of development partners' country strategy plans with SDP 2011-2030

Contents of Aid Management Effectiveness Policy

2. Institutional Arrangements for Aid Coordination

I. Implementing Institutions and Mechanisms

- The procedures should be followed for improved coordination, communication, negotiation and approval of an international agreement regarding international cooperation between Government and development partners.

II. Decisions that relate to aid assistance must be based on the requirements of Aid Management Effectiveness Policy.

Role of institutions:

- a. National Parliament
- b. Council of Ministers
- c. Ministry of Foreign Affairs and Cooperation
- d. Ministry of Finance
- e. Line-Ministries (Beneficiary Institutions)
- f. Ministry of Interior (Immigration)
- g. Development Partners

III. Partnership Dialogue Arrangements

IV. Finalising Grant Agreements and Implementation and Monitoring

V. Bilateral arrangements: Timor-Leste and Development Partners

Contents of Aid Effectiveness Management Policy

3. Implementing and Monitoring

I. Alignment and Use of Country Systems

- Timor-Leste is committed to working with development partners to increase national capacity to ensure self-reliance and sustainable development

II. Aid Transparency and Predictability

- Timor-Leste commits to ensuring transparency through effective working partnerships, timely communication and the use of transparency portals (Budget, Aid, eProcurement and Results).

III. Mutual Accountability for Results

- Principles underpinning mutual accountability
- Procurement
- Audit: Government Systems and Grant Agreements

IV. Monitoring and Evaluation

- Monitoring and Evaluation of the Aid Management Effectiveness Policy
- Monitoring and Evaluation of Grant Agreements

Contents of Aid Effectiveness Management Policy

4. Aid Modalities

- I. **Compact:** Coordination of the aid modalities is through the development of a 'Compact' between Government and Development Partners that facilitate a holistic approach. The political, security, economic and social spheres are interdependent.

- II. **Types of Aid**
 - Grants
 - Loans
 - Technical Assistance
 - Direct Budget Support
 - Programme Based Approaches

- III. **Harmonisation and alignment**
 - The choice of aid modalities is a component of how best to comply with the key principles of ownership, harmonisation and alignment and support the implementation of the poverty reduction strategies.

Obrigado

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