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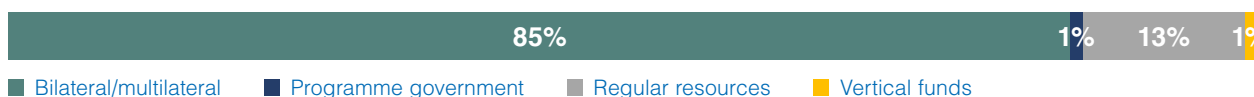
UNDP IN TIMOR-LESTE

As one of the world's youngest countries, Timor-Leste has been through a period of consolidating stability and building national institutions. It achieved lower middle-income country status in 2007, largely due to oil and gas revenues, and human development rankings have improved. By 2011, however, poverty rates were still at around 40 percent.

UNDP has supported programmes in governance, poverty reduction and the environment as well as post-crisis recovery, facilitating national efforts towards sustainable peace and state-building. The Independent Evaluation Office of UNDP conducted an independent country programme evaluation that covered UNDP work from 2004 to 2011.

TOTAL PROGRAMME EXPENDITURE, 2004-2011: \$128.4 MILLION

FUNDING SOURCES, 2004-2011



PROGRAMME BUDGET BY THEMATIC AREA, 2004-2011 (\$ MILLIONS)



FINDINGS AND CONCLUSIONS

UNDP has stood behind government efforts to simultaneously address the challenges of stability and the transition to development, making relevant contributions in different phases of building national institutions and capacities. In governance assistance, its neutrality and support without a political agenda were positively perceived. The programme was coherent and well-strategized, and addressed needs across the range of national institutions. Strong synergies with the United Nations Mission in Timor-Leste (UNMIT) and its involvement in all key governance institutions provided UNDP with significant entry points and convening power.

Because of its long-term engagement in the country, UNDP was uniquely positioned to support the electoral process. By 2012, the capacities of the Technical Secretariat for Electoral Administration and the National Electoral Commission had been sufficiently strengthened to independently conduct credible and transparent elections, and political parties were participating more effectively in electoral processes.

Substantial support to the evolution of the civil service led to the development of an enabling legal and regulatory framework, and the creation of the Civil Services Commission. A programme evolution from providing human resource-oriented support to institutional strengthening has backed increased national ownership of civil service reforms and capacity development initiatives, and subsequent allocation of government

resources to meet staffing expenditures. Staffing support provided by UNDP and other international agencies initially resulted in huge disparities in remuneration between temporary national and international staff, and the permanent civil service national staff. This created an artificial scarcity of people for permanent jobs, and was resolved to some extent through significant pay scale revisions, and the mass recruitment and regularization of posts across the board.

A local development programme managed jointly with the United Nations Capital Development Fund (UNCDF) made progress in participatory local development, spurred by a favourable environment for decentralization. Government contributions to scaling up participatory local development across all districts resulted in the project delivering to more than its target of eight districts. Progress on creating the legal framework and constitutional structure of local government faced challenges, however, that were beyond the UNDP-UNCDF scope of work. And despite improvements in local administrations' capacities to manage local development funds, human resource capacity constraints indicate a need for sustained assistance.

UNDP helped improve judicial capacities, a significant step considering that judicial institutions were newly built post-independence. Given a low human resource base and the lack of basic infrastructure, however, the justice sector still relies heavily on international actors

for policy advice, planning, drafting laws and training legal professionals. Government representatives harboured considerable resentment regarding slow progress in increasing the number of nationals in judicial institutions, even as they also recognized the contributions of international staff.

UNDP support to poverty reduction varied, but overall was not commensurate with the magnitude of the problem. Projects on income and employment generation, microfinance and skills training opened opportunities for poor households. Yet contributions to improving the conditions of economically poor households were limited. Funds were spread too thinly, and the duration of support was not enough to create a substantive improvement.

Greater contributions came through the preparation of national development strategies. Studies for poverty assessments, MDG reports and national human development reports provided support for evidence-based and MDG-oriented development planning, with a specific focus on multidimensional poverty. The Government passed a decree for a National Community Development Programme in 2012, which largely focused on community infrastructure projects, and drew on UNDP and UNCDF experiences.

Achievements on environmental concerns were modest, although the programme helped raise the profile of

these issues and establish national priorities, particularly in climate change adaptation. A primary emphasis was on supporting the fulfilment of obligations under different international conventions, and in this the programme was broadly successful.

In response to Timor-Leste's 2006 crisis, UNDP aided the return of internally displaced persons, community dialogue and mediation. But early recovery projects were largely humanitarian and designed as one-off projects, limiting linkages with long-term livelihood support for sustainable results. Typical of post-conflict response, UNDP played an important role in facilitating the implementation of donor programmes and in-fund administration. To some extent, though, it was not able to find a balance between its fund management and substantive roles. This resulted in conceding its programmatic role in areas such as poverty reduction to other agencies.

Timor-Leste's rapid progress today challenges UNDP to adapt its position in the country. Its interventions enjoy significant national ownership, and it is poised to play a more substantive role in strengthening national institutions. In this, it should aim for a capacity development strategy with a substantive focus on limited but key areas of governance. As important is a more systematic approach to reducing persistent poverty and inequality.

RECOMMENDATIONS

- UNDP programmes should provide the right balance of demonstration projects and policy support.
- UNDP should prioritize support to government policy and programming to address poverty, inequality and unemployment. This approach should facilitate the government's inclusive growth agenda.
- Based on its long-term engagement in the governance sector, UNDP is strongly positioned to play a larger role in systematically developing human resource and institutional capacities.
- UNDP should promote poverty-environment linkages. To improve continuity and reduce the administrative burden of national institutions, UNDP should adopt a programmatic approach to the environment portfolio.
- With institutional building blocks in place, UNDP should move away from the semi-humanitarian mode of peace- and state-building to a more strategic approach of strengthening institutions and human resources.
- Following UNMIT's withdrawal, UNDP should have a deliberate approach to deciding on focus areas.
- For effective poverty reduction and local governance programmes, UNDP should strengthen its presence at the district level.
- UNDP should further strengthen its commitment to promote gender equality and women's empowerment, particularly as it relates to access to development resources and justice in the Timorese context.
- UNDP should review programme management and develop an appropriate strategy to adhere to the principles of the New Deal, which include mutual accountability and the use of country systems.
- UNDP should strengthen its technical and advisory capacity to provide timely short-term advice to the Government and to better engage with development partners. It should strengthen results-based monitoring, particularly for programmes at the district and sub-district level.

ABOUT THE ICPEs

Independent country programme evaluations (ICPEs) are the backbone of the work of the Independent Evaluation Office. They capture evidence of UNDP's contributions to development results and the effectiveness of strategies supporting national development. They enable continued improvement in UNDP programmes, contribute to strengthened national ownership and evaluation capacity, and underpin accountability to national stakeholders and UNDP's Executive Board. To date, over 100 ICPEs have been conducted worldwide.

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