

# EXECUTIVE SUMMARY

In 2011, the Independent Evaluation Office of the United Nations Development Programme (UNDP) conducted an independent country-level evaluation in Timor-Leste. This Assessment of Development Results (ADR) analysed UNDP's roles and contributions to development results in the Democratic Republic of Timor-Leste between 2004 and mid-2011. This period includes the previous (2003–2008) and the ongoing (2009–2013) UNDP country programmes. This was the first ADR conducted in Timor-Leste, taking place towards the end of the current 2008–2013 UNDP programming cycle. The ADR assessed the effectiveness of the UNDP strategy to achieve development results by facilitating and leveraging national efforts in the areas of sustainable peace, transition and state-building.

The ADR covered a particularly important time period for Timor-Leste. As one of the youngest countries, the past decade has been a period of consolidating stability and building national institutions, while at the same time dealing with civil unrest. When the first government of the Democratic Republic of Timor-Leste was established on 20 May 2002, the development challenges before it were enormous. Four centuries of Portuguese colonialism, two and a half decades of Indonesian occupation and a violent transition from Indonesian rule in September 1999 had left the country devastated and its people living in extreme poverty. Seventy percent of Timor-Leste's economic infrastructure (e.g. housing stock, public buildings and utilities), 80 percent of its schools, and virtually all medical facilities were destroyed. The extensive devastation to homes and farms and the demolition of infrastructure throughout the country added to the complexity of peace- and state-building. In addition to the government's persistent efforts, United Nations (UN) support under several different mandates (e.g. peacekeeping, supporting

capacity-building efforts to strengthen the security and justice sectors and ensuring the provision of humanitarian and reconstruction assistance) contributed to state-building.

UNDP's organizational and programmatic positioning in Timor-Leste during the two country programmes assessed was determined by the post-conflict context and the priorities as expressed by the government and the Security Council mandate. UNDP programme areas overlapped with several priority areas of the UN Mission. Interface with the United Nations Integrated Mission in Timor-Leste (UNMIT), therefore, has been a factor in UNDP contributions to development results. Given UNDP's organizational expertise and mandate to support state-building and reducing poverty, UNDP is often in a key position in peacebuilding, transition and development contexts. This Executive Summary examines how UNDP positioned itself to respond to the post-conflict needs in peacebuilding and state-building and how the interface with UNMIT shaped UNDP programme responses. The analysis largely pertains to UNDP's interface with UNMIT.

## KEY FINDINGS

During the two country programmes, UNDP support has been responsive to government efforts to simultaneously address the challenges of consolidation of stability and transition to development. UNDP contributions were relevant in different phases of building national institutions and capacities. UNDP programmes have been responsive to national development plans and strategies and have focused on government-identified priorities. In terms of alignment with national development priorities, UNDP support was found to be responsive, and the government particularly appreciated the flexibil-

ity of UNDP support. In the governance area, UNDP's neutrality and programme support without a political agenda was positively perceived. Key findings include:

**The UNDP governance programme has been coherent and well-strategized and has addressed needs across the range of Timor-Leste's national institutions (legislative, judicial and executive). The design of both country programmes reveals a consistent and logically sequenced portfolio of activities, successively building on earlier projects. UNDP has established continued engagement with parliamentary institutions, the judiciary and civil services (including district administration) through the provision of professional expertise under various projects. UNDP support contributes to UNMIT priorities in the area of governance.**

Effective partnerships with counterpart institutions, continued engagement with beneficiary institutions spanning two programme cycles, and a high degree of national ownership of the interventions contributed to the outcomes. Interviews with government representatives point to important contributions in the areas of electoral cycle support, the justice sector, local governance and setting up the Provedoria for Human Rights and Justice (Provedoria) and the Civil Service Commission. Strong synergies with UNMIT have maximized UNDP contributions in areas such as support to elections, and there have been several illustrations of field-level cooperation, including resource-sharing and joint implementation. The presence and involvement of UNMIT in all the key governance institutions provided UNDP with significant entry points and the convening power to efficiently implement its programmes.

UNDP support to strengthening parliamentary institutions has been important. UNDP successfully enabled the Parliament to perform its legislative, oversight and representative functions. The technical and advisory services UNDP provided were critical in filling capacity gaps in the functioning of the Parliament. The legal and

technical support provided by UNDP in enabling the functioning of the Members of Parliament, the Parliament Standing Committees and the Office of the President. Similar support to Members of Parliament in exercising their oversight function has contributed to ensuring government accountability.

Notwithstanding the enormous challenges in creating adequate human resource capacities in a number of specialist areas (e.g. legal, economic and financial analysis, parliamentary procedures), UNDP support lacked a clear strategy for building a cadre of trained personnel.

UNDP contributions have been significant in establishing state institutions for conducting free and fair elections. By 2012, the Technical Secretariat for Electoral Administration and the National Electoral Commission capacities had been sufficiently strengthened to independently conduct credible and transparent elections, and political parties were participating more effectively in electoral processes. Because of its long-term engagement in the country, UNDP was uniquely positioned to support the conduct of elections and electoral process. UNDP's neutrality and its organizational expertise in the area were widely acknowledged by the government and other stakeholders. Although both UNMIT and UNDP have specific mandates and roles in providing electoral support, the electoral support programme in Timor-Leste stands out as a unique best practice within the context of an integrated mission.

Notwithstanding these successes, some challenges remain to be addressed. Voter education, election monitoring infrastructure and the enforcement powers of the National Electoral Commission in the conduct of elections remain areas for further improvement and hold the key to transparency and accountability.

UNDP has remained involved continuously and provided substantial support to the evolution of the civil services in Timor-Leste. The enabling legal and regulatory framework for the institu-

tions are in place, and over time territorial issues around the primacy of the Civil Services Commission on matters relating to public administration, human resource development and performance assessments are likely to get resolved.

The UNDP programme evolved from providing human resource-oriented support (until 2004) to institutional strengthening. There has been increased national ownership of the civil service reforms and capacity development initiatives, and subsequent allocation of government resources to meet staffing expenditures. Institutional arrangements and the authority of institutions for an effective civil service are evolving.

The staffing support provided to government institutions by UNDP and other international agencies resulted in huge disparities in the remuneration structures of temporary national and international staff and the permanent civil service national staff. With these differences being as much as double in the initial stages, there was a greater supply of national experts for advisory and temporary positions, which created an artificial scarcity of people for permanent jobs. This was resolved to some extent through significant pay scale revisions and the mass recruitment and regularization of posts across the board.

The Provedoria has achieved its initial milestones, serving as a functional ombudsman institution undertaking investigative, monitoring and mentoring roles for the promotion and protection of human rights. It has exercised its mandate and demonstrated its authority most visibly in the investigation of the 2006 crisis. UNDP support to Provedoria was important. Sustained support is needed to consolidate the Provedoria's authority. Challenges include the lack of a mandatory minimum level of budgetary support to perform its responsibilities and the absence of a system of automatic funds appropriations, its limited role in resolving human rights violation cases through conciliation and other means, and overlapping mandate in some areas with the anti-corruption commission.

The UNDP-United Nations Capital Development Fund local development programme (UNDP-UNCDF) made progress in participatory local development, although challenges remain in creating a constitutional structure for local government. A favourable environment for decentralization provided further impetus to UNDP-UNCDF efforts in this area. Despite important progress, Timor-Leste is in the early stages of decentralization and there is a long way to go to achieve decentralized governance. Scaling up the participatory local development model and thereby contributing to policy formulation for the decentralization model in Timor-Leste was the most successful component of the local governance initiative. Government contributions to scaling up participatory local development across all districts resulted in the project delivering to more than its target of eight districts. Government measures to harmonize the multiple procedures and modalities operating in the districts are another indicator of the pilots' success.

The Local Governance Support Programme has created mechanisms for enabling greater citizen participation in prioritizing proposals for local development. However, progress towards creating the legal framework and constitutional structure of local government faced challenges and constrained programme activities to strengthen local institutions. These constraints were beyond the UNDP-UNCDF scope of work; the government wanted to wait until after the 2012 elections to pursue decentralization reform.

Informed participation of the community in local development initiatives is at an early stage. Despite improvements in local administrations' capacities to manage local development funds (particularly local planning, budgeting, procurement, implementation of small-scale infrastructure and monitoring), human resource capacity constraints remain a major challenge. While the continuation of UNDP-UNCDF's local governance initiatives will depend on the adoption of the other municipality laws, more sustained efforts are needed to develop local government capacities to function without programme support.

The UNDP Programme has improved the justice sector's capacities, which is significant considering that the institutions were newly built post-independence. Sustained efforts are needed to develop an autonomous national justice sector that functions without international personnel. Challenges remain in the low human resource base, the need to learn Portuguese and the lack of basic infrastructure. The formal justice system is inaccessible logistically and financially to most Timorese, while the informal justice system is often in conflict with human rights laws and practices.

The justice sector still relies heavily on international actors for policy advice, planning, drafting laws and training legal professionals. Government representatives harbour considerable resentment regarding the slow progress in increasing the number of nationals in judicial institutions. At present, there is no structured approach to phasing out international experts. While there are ongoing efforts to sustain capacity gains, dependence on international actors will continue for the foreseeable future. The need for international actors performing advisory and line functions may even increase, given the Justice Sector Programme goals to create new judicial districts, to extend the judicial structure by creating new courts (for example, a Supreme Court), and the likelihood of periodic study-abroad missions for national justice sector actors (currently, public defenders go to Brazil). However, national stakeholders expressed frustration with the presence of international staff, even as they also recognised their contributions.

UNDP engagement lacked strategic focus in the latter phase of support to civil services, particularly in the second programme cycle. Reduced donor support for Timor-Leste and an increasing trend of donors providing assistance directly to the government may impact UNDP's ability to raise resources for governance support. Therefore, UNDP's interventions will need to demonstrate both a clear strategic intent in addressing the key governance priorities and value-for-money in an increasingly competitive environment for the provision of technical support/services. There

have been efforts to streamline support to the Secretariat of the Parliament to further build parliamentary administration capacities and systems.

**UNDP support to poverty reduction varied during the two programmes assessed; UNDP contributions to Millennium Development Goal (MDG) policy support and recovery needs were more effective. Overall, the scale and scope of the UNDP poverty reduction programme was not commensurate with the challenges of addressing multidimensional poverty in Timor-Leste. The micro-level activities did not demonstrate viable options for government programmes.**

The enormity of Timor-Leste's post-conflict recovery, reconstruction and human development needs and weak national institutional capacities necessitated an equally massive scale and scope of interventions in poverty reduction and sustainable livelihoods. Most of Timor-Leste's physical infrastructure was damaged or destroyed, and food security and livelihoods were threatened in some parts of the country. The approach development agencies, including UNDP, took in Timor-Leste was to align with national strategies to first meet the immediate recovery and livelihood priorities before addressing long-term issues of sustainable livelihood and community development.

UNDP support to poverty reduction strategies and policies and the stabilization of livelihoods and community development had different levels of engagement, ranging from support to strengthening institutional capacities to large-scale but one-off recovery and reconstruction projects, to more modest activities such as a fund management role. The recovery and reconstruction projects addressed the specific needs of post-conflict recovery and reconstruction and community development.

UNDP's contributions have been important to the preparation of national development strategies and to the development of institutional capacities to promote MDG-oriented policies. Several UNDP projects supported studies for poverty assessments, MDG reports and National

Human Development Reports (NHDR). These studies also provided support for evidence-based and MDG-oriented development planning, with a specific focus on multidimensional poverty. The government passed a decree law for a National Community Development Programme in 2012, which largely focused on community infrastructure projects to be directly managed by villages. UNDP/UNCDF contributed to programme designs with the experience from the Local Development Programme (Integrated District Development Plan), shifting focus towards district (municipality) development plans and investment funds.

The projects on income and employment generation, microfinance and skills training opened opportunities for poor households. However, contributions to improving the conditions of economically poor households, particularly in crisis-affected districts were limited because of the limited scale of interventions. The funds were spread too thinly, with the result that the duration of support was not long enough to create a substantive change in households' income. The severity of the need was a justification for national programmes, though a more comprehensive approach involving support to policy and implementation was either lacking or not followed through sufficiently.

**UNDP support has assisted Timor-Leste to develop initial human capacities, raise the profile of environmental issues and establish national priorities, particularly in climate change adaptation. This in itself was important, given the post-conflict context.**

The UNDP environment and energy programme has been quite modest, with its primary emphasis being on supporting Timor-Leste's fulfilment of obligations to the Conventions, and in this respect it has been broadly successful. Furthermore, UNDP has played an important role in helping the government determine key environmental priorities, which are relevant to national development priorities (e.g., climate change adaptation). Many significant challenges

remain, such as developing practical measures to improve land management, to reduce slash and burn agriculture and to improve the central-, district- and community-level capacities in environment management.

**In response to the 2006 crisis, UNDP's contributions have been important to the return of internally displaced persons, community dialogue and mediation. However, UNDP had limitations in promoting linkages between recovery and addressing the underlying causes of conflict outlined in the national recovery strategy.**

UNDP support to internally displaced persons' return, relocation and reintegration was relevant to the government's National Recovery Strategy (2007), with special emphasis on the trust-building pillar. ADR findings indicate that UNDP's early recovery projects, for their size and scope, contributed to a degree of stability and facilitated the internally displaced persons' return, relocation, reintegration and reconciliation with receiving communities. These initiatives were largely in humanitarian mode and designed as one-off projects, limiting linkages with long-term livelihood support for sustainable results.

**A more strategic engagement with the integrated mission maximized synergies and has been mutually beneficial for UNDP and UNMIT.**

Although UNDP did not have a defined strategy to engage with the UN missions (including UNMIT), the partnership with UNMIT was considered by many informed observers as mutually beneficial. The scope and depth of this partnership varied across programme areas. Programme areas such as election support, human rights, support to Provedoria and security sector reforms had strong engagement with UNMIT. In the security and human rights sectors, UNDP engagement did not involve substantive contributions and were largely limited to contributing financial resources or fund management. The UN Resident Coordinator, who was also the Deputy Special Representative of the Secretary-General, was a key link between the integrated

mission and the UN country team, and this in many ways contributed to the coherence of the UN response.

UNDP has been a constructive partner in supporting the UNMIT mandate. The experience of the integrated mission in Timor-Leste has demonstrated that strengthening relations between security, peacekeeping and development will enhance its contributions to development results.

**Typical of post-conflict response, UNDP played an important role in facilitating the implementation of donor programmes and in-fund administration. While UNDP was perceived as having credible, transparent and accountable finance procedures, the timeliness of UNDP procedures was an issue. Complex programme management and administrative procedures are impediments to effective programming. The reputation of UNDP is at risk because delays in executing its fiduciary responsibility are impacting programme implementation.**

Delivering on its fiduciary responsibilities while meeting important deadlines in a post-conflict context has been a challenge for UNDP. Cumbersome UNDP procurement and staff recruitment procedures have often resulted in service delays. Several government representatives mentioned that procurement is a major limitation of UNDP, which is often an impediment to programme effectiveness. There were significant delays across programme areas in procurement and recruitment. Government and donors specifically mentioned that UNDP administrative procedures were a factor in delaying programme implementation. These procedures were also a source of frustration for some UN agencies for which UNDP administered funds. In the security sector reform programme, there were several delays in programme implementation mainly due to procurement. Delays in recruiting a programme manager for the crisis prevention and recovery portfolio slowed the progress of some initiatives. Recently, corporate-level measures have been taken to simplify procurement, although challenges continue in recruitment procedures.

## CONCLUSIONS

Conclusion 1: UNDP contributions have been important in addressing the key national priorities of peace- and state-building in Timor-Leste. The support provided by UNDP has been responsive to government' efforts to simultaneously address the challenges of consolidating stability and transitioning to development. UNDP has made relevant contributions to different phases of building national institutions and capacities. During the two programme periods, UNDP supported the UN missions in Timor-Leste.

Conclusion 2: The flexibility in interpreting the concept of integration enabled UNMIT to adapt to the country context. The UNDP programme played a central role in supporting UNMIT and has consistently addressed the highest priority areas of the UNMIT mandate. The complementary mandates of UNDP and UNMIT in the area of state-building and peacebuilding contributed to synergies in programming and a natural partnership. Partnership with UNMIT in electoral support and strengthening capacities of national institutions enhanced contribution to peacebuilding results.

Conclusion 3: UNDP's contributions in the area of governance have been substantial— in the provision of specialist technical expertise along with human resource support to key government institutions. This has been critical for the functioning of these institutions and an important structural requirement in Timor-Leste consolidating stability and peace, and transitioning to development. UNDP strategy to focus on pressing capacity issues in the early phase of institution formation was appropriate. Sustained efforts are needed to support sector-specific capacity development strategies and a systematic approach to strengthening institutional and human capacities in Timor-Leste.

Conclusion 4: The scope of UNDP's activities in the area of poverty reduction was limited and did not adequately respond to the evolving chal-

allenges in Timor-Leste. The outcomes of recovery support could have been further enhanced if income-generation activities were linked to long-term sustainable livelihood efforts.

Conclusion 5: Understanding the linkages between poverty reduction/livelihood and environmental management is key to facilitating a comprehensive approach to environmental and energy management in Timor-Leste. UNDP support has assisted Timor-Leste in developing initial human capacities, raising the profile of environmental issues and establishing national priorities, particularly in climate change adaptation.

Conclusion 6: UNDP's contributions to Timor-Leste's efforts to return internally displaced persons and community dialogue and mediation have been important. While the incremental approach facilitated speedy recovery and return, UNDP efforts were not adequate in promoting linkages between recovery and addressing the underlying causes of conflict outlined in the national recovery strategy.

Conclusion 7: The UNDP approach to providing short-term technical and human resource support was appropriate given the context of nascent institutions and the challenges in human resource and absorption capacities. An important dimension of UNDP support to strengthening human resource capacities is strong national ownership and engagement, and the government is keen to continue these efforts until capacities are adequately strengthened. Lack of coordination in the technical assistance that donor agencies provided to ministries and government organizations undermined a systematic approach to national capacity development.

Conclusion 8: UNDP was not able to find a balance between the fund management and substantive roles it played in Timor-Leste, resulting in UNDP conceding its programmatic role in areas such as poverty reduction to other agencies.

## RECOMMENDATIONS

The current context of Timor-Leste is significantly different from the time of the two earlier UNDP programmes. In order to retain its programmatic relevance, UNDP has to adapt its strategy to address the changed context of significant economic growth and progress in establishing key institutions and policy frameworks—but with continuing development and capacity challenges. The national government is now more forthcoming in filling funding gaps, which in many ways enables more focused development assistance. With donors moving towards bilateral execution modalities and the government emphasis on budget support, it is more likely that the programme funding pattern will be different compared to the past decade.

A positive aspect of UNDP contributions in the last two programme cycles in Timor-Leste is significant national ownership. UNDP is well-placed to play a more substantive role in strengthening national institutions, consolidating earlier contributions. The following recommendations emphasize the need for a capacity development strategy for UNDP, a more substantive focus on limited but key areas of governance and systematic support to reducing poverty and inequality.

Recommendation 1: UNDP programmes should provide the right balance of demonstration projects and policy support. As a new nation, Timor-Leste is keen to accelerate development and address short-term needs as part of long-term institutional strengthening, and the UNDP programme should reflect these aspirations. Developing strategic partnerships for institutional and human resource capacity development; and identifying areas where its support would complement ongoing development efforts are central to UNDP's contribution to development results in Timor-Leste.

Recommendation 2: 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, should take into account the need to bridge rural-urban disparities and should generate employment in the non-oil segment of the economy. UNDP should make explicit linkages between programme assumptions and processes and how interventions contribute to efforts that provide opportunities for the poor in an oil-based economy.

Recommendation 3: 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. In the forthcoming programme, UNDP should be more selective about the programmes in the governance sector and the role the agency plays.

With the UNMIT withdrawal, UNDP should define the roles it can play in coordination and should more proactively engage in facilitating the coordination of human and institutional capacity development and sector working groups that are relevant to UNDP programming.

Recommendation 4: UNDP should promote poverty-environment linkages. To improve the continuity of specific initiatives and reduce the administrative burden of national institutions, UNDP should adopt a programmatic approach to the environment portfolio.

Recommendation 5: Now that the building blocks of institutions are in place, UNDP should move away from the semi-humanitarian mode of peace- and state-building, which placed emphasis on substituting human resources, to a more strategic approach of strengthening institutions and human resource capacities. This shift should be made during the remaining period of the ongoing programme, in order to form a strong base for the forthcoming programme cycle.

Recommendation 6: The level and extent to which UNDP is prepared to take on various responsibilities following UNMIT's withdrawal needs a clear strategy. While consolidating the progress made in key areas of support so far, UNDP should have a deliberate approach to deciding on focus areas, as it may not be efficient to take on the full range of UNMIT activities that fall within UNDP's purview.

Recommendation 7: For effective programmes on poverty reduction and local governance, UNDP should strengthen its presence at the district level.

Recommendation 8: Gender equality is central to achieving peacebuilding and national development results, and a core UNDP programming principle. 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. Leveraging the enabling national environment, UNDP should take a systematic approach to integrating gender equality and women's empowerment as a key dimension in its programmes.

Recommendation 9: For more efficient programming, UNDP should review programme management and develop an appropriate strategy to adhere to the principles of New Deal that includes mutual accountability and the use of country systems.

Recommendation 10: UNDP should strengthen its own technical and advisory capacity to provide timely short-term advice to the government and to better engage with development partners. UNDP should take specific measures to strengthen results-based monitoring, particularly for programmes at the district and sub-district level. There should be adequate monitoring and oversight of district activities.