

SUMMARY STATEMENT OF STRATEGY

Objectives	Improved public infrastructure to support private sector growth and basic social services	Local capacity building for economic and financial management	Community-level income generation
Strategic Focus	Rehabilitate key infrastructure, including roads and water supply and sanitation, rural electrification and other rural infrastructure. Improve institutional capability.	Enhance economic and financial management and implementation capabilities. Improve financial accountability and governance in key sectors.	Ensure permanent access to institutional financial services for poor people and their small businesses.
Ongoing Grants (TFET Funded)	Water and Sanitation II (2001) \$4.5 mn Hera Ports Development (2001) \$1 mn Emergency Infrastructure Rehabilitation 2 (2003) \$9 mn		Microfinance Development (2001) \$4 mn
Ongoing and Proposed TAs	Transport Sector Improvement (2000) \$0.5 mn Power Sector Development (2001) \$0.4 mn Integrated Water Resources Management (2002) \$0.6 mn Infrastructure Ministries Capacity Building (2004) \$0.25 mn	Capacity Building and Governance for Sector Management (2000) \$1 mn Exclusive Economic Zone Demarcation (2001) \$0.12 mn Microfinance IT Systems (2001) \$0.15 mn Economic Policies & Strategies for Development Planning (2002) \$0.95 mn Postal Services Development (2002) \$0.25 mn Capacity Building to Develop Public Sector Management (2002) \$0.688 mn Capacity Building to Strengthen Public Sector Management & Governance (2003) \$0.55 mn Strengthening the Statistics Office (2003) \$0.15 mn	Small and Micro Enterprise Development (2004) \$0.25 mn
Other Assistance (RETAs)	Poverty Assessment in PDMCs Participation in workshops for Poverty Reduction Strategies		
Target Outcomes	Improved accessibility to markets and services. Enhanced access to essential public services	Effective and accountable central and local agencies	Improved rural incomes Increase in rural commercial activity

IT = information technology, mn = million, PDMC = Pacific developing member country, RETA = regional technical assistance, TA = technical assistance.

COUNTRY AND PORTFOLIO INDICATORS, AND ASSISTANCE PIPELINE

Table A2.1: Progress toward the Millennium Development Goals and Targets

Goals and Targets	1993	1999	Latest Year
Goal 1. Eradicate Extreme Poverty and Hunger			
Target 1: Reduce incidence of extreme poverty by half from 1990 to 2015			
1. Proportion of population below US\$1 per day (PPP values) (%)	—	—	20.0 ^a (2001)
2. Poverty gap ratio	0.025	0.023	0.028 (2001)
3. Share of poorest quintile in national consumption (%)	—	—	7.0 ^a (2001)
Target 2: Reduce the proportion of people who suffer from hunger by half from 1990 to 2015			
4. Prevalence of child malnutrition (% of children under 5)	50.6 (1996)	44.5	—
5. Proportion of population below minimum level of dietary energy consumption (%) ^b	41.5 (1996)	42.4	41.1 (2001)
Goal 2. Achieve Universal Primary Education			
Target 3: Attain 100% primary school enrolment by 2015			
6. Net enrollment ratio in: (%)			
Primary (7–12 years of age)	65.3	74.2	76.2 (2001)
Lower secondary (13–15 years of age)	25.0	36.3	33.1
Upper secondary (16–18 years of age)	13.5	20.4	17.6
Tertiary (19–24 years of age)	1.6	3.8	2.8
7. Proportion of pupils starting Grade 1 who reach Grade 5	—	—	—
8. Literacy rate of 15–24 year olds (%)	—	79.0 ^a	77.0 ^a (2001)
Goal 3. Promote Gender Equality and Empower Women			
Target 4: Eliminate gender disparities in primary and secondary education by 2005 and to all levels of education no later than 2015			
9. Ratio of girls to boys in primary and secondary education (%)	—	83.0 ^a	97.0 ^a (2001)
10. Ratio of young literate females to males (% of age group 15–24)	—	97.0 ^a	96.0 ^a (2001)
11. Share of women in wage employment in the nonagricultural sector	27.9 ^c (1990)	—	—
12. Proportion of seats held by women in national parliament	—	—	25.0
Goal 4. Reduce Child Mortality			
Target 5: Reduce infant and child mortality by two thirds from 1990 to 2015			
13. Under-5 mortality rate (per '000 live births)	204.6	158.8	143.5 (2001)
Male	217.7	171.6	155.5
Female	192.3	146.7	132.1
14. Infant mortality rate (per '000 live births)	108.6	86.0	80.1 (2001)
Male	118.1	94.7	88.4
Female	99.6	77.8	72.3
15. Proportion of 1 year old children immunized against measles	—	24.0 ^a	6.0 ^a (2001)

Goals and Targets	1993	1999	Latest Year
Goal 5. Improve Maternal Health			
Target 6: Reduce maternal mortality rate by three quarters between 1990 and 2015			
16. Maternal mortality ratio (per 100,000 live births)	800 ^d (1990)	850 ^e (1995)	420 (1999)
17. Births attended by skilled health staff (% of live births)	16.2	27.3 (1997)	30.0 (1999)
Goal 6. Combat HIV/AIDS, Malaria, and Other Diseases			
Target 7: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS			
18. HIV prevalence rate among 15–24 year old pregnant women	—	—	—
19. Contraceptive prevalence rate (% of women aged 15–49)	16.7	19.9	5.6 (2001)
20. Number of children orphaned by HIV/AIDS	—	—	—
Target 8: Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases			
21. Prevalence and death rates associated with malaria (per 100,000 people)	—	4,281 ^f (1997) 7,217 ^f (1998)	16,881 ^f (1999)
22. Proportion of population in malaria risk areas using effective malaria prevention and treatment measures	—	—	—
23. Prevalence and death rates associated with tuberculosis (per 100,000 people)	—	1,849 ^f (1997)	5,743 ^f (1999)
24. Proportion of TB cases detected and cured under DOTS	—	—	—
Goal 7. Ensure Environmental Sustainability			
Target 9: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources			
25. Forest area (% of total land area)	36.6 ^c (1990)	34.3 ^c (2000)	34.1 ^g (2002)
26. Nationally protected areas (% of total land area)	—	—	—
27. GDP per unit of energy use (PPP \$ per kg oil equivalent)	—	—	—
28. Carbon dioxide emissions (per capita metric tons)	—	—	—
Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water			
29. Access to an improved water source (% of population) ^h			
Total	29.1	66.0 ^a	50.0 ^a (2001)
Urban	68.1	93.0 ^a	69.0 ^a
Rural	26.0	62.0 ^a	44.0 ^a

Goals and Targets	1993	1999	Latest Year
Target 11: By 2010, to have achieved a significant improvement in the lives of at least 100 million slum dwellers			
30. Access to improved sanitation (% of population) ⁱ			
Total	32.4	30.0 ^a	42.0 ^a (2001)
Urban	49.2	81.0 ^a	64.0 ^a
Rural	31.0	24.0 ^a	35.0 ^a
31. Access to secure tenure (% of population)	—	—	—
Total			
Urban			
Rural			

— = data not available, DOTS = Directly Observed Treatment Short-course, GDP = gross domestic product, HIV/AIDS = human immunodeficiency virus/acquired immune deficiency syndrome, PPP = purchasing power parity, TB = tuberculosis.

^a World Bank, Household Living Standards Measurement Survey (LSMS) 2001.

^b Using consumption-based poverty lines: 32,742 rupiah/capita/month in 1996; 78,396 rupiah/capita/month in 1999 (both applied to SUSENAS core data in 1996 & 1999); and 158,480 rupiah/capita/month in 2001 (applied to East Timor household survey 2001).

^c United Nations Statistics Division, Statistical Databases (<http://unstats.un.org>).

^d International Monetary Fund (IMF), *East Timor - Establishing the Foundations of Sound Macroeconomic Management* (2000).

^e United Nations Children's Fund (UNICEF), End-Decade Databases 2002 (<http://childinfo.org>).

^f For prevalence rate data only: Asian Development Bank, Discussion Papers (2001) under regional technical assistance (RETA) 5907.

^g World Bank, *The Little Green Data Book 2003*.

^h 1993 available data refer to proportion of households with pipe/pump drinking water.

ⁱ 1993 available data refer to proportion of households with own sanitation facilities.

Sources: Unless otherwise specified, data are from United Nations Development Programme's (UNDP) *East Timor Human Development Report 2002*.

Table A2.2 Country Economic Indicators

Item	Fiscal Year ^a				
	1998	1999	2000	2001	2002
A. Income and Growth					
1. GDP per Capita (US\$, current)	441	360	412	433	445
2. GDP Growth (% , in constant prices)	1.3	(35.0)	15.0	17.0	(1.1)
a. Agriculture	(9.8)	(27.4)	(28.6)	18.7	3.7
b. Industry	(70.4)	(21.2)	33.1	20.4	2.9
c. Services	(49.8)	(37.1)	64.0	20.4	(6.1)
B. Saving and Investment (current market prices)					
					(% of GDP)
1. Gross Domestic Investment	35.0	21.0	29.0	36.0	32.0
2. Gross Domestic Saving	4.0	(13.0)	(44.0)	(44.0)	(41.0)
C. Money and Inflation					
					(annual % change)
1. Consumer Price Index ^b	80.0	140.0	3.0	0.0	2.0
2. Total Liquidity (M2)	(3.6)	(14.8)	...	155.5	8.6
D. Government Finance ^a					
					(% of GDP)
1. Total Revenue and Grants	...	...	...	7.7	8.2
2. Total Expenditure and Onlending	...	...	...	14.5	13.8
3. Overall Fiscal Surplus / Deficit ( )	...	...	...	(6.8)	(5.6)
E. Balance of Payments					
1. Merchandise Trade Balance (% of GDP)	(23)	(25)	(66)	(55)	(49)
2. Current Account Balance (% of GDP)	(5)	2	21	12	10
3. Merchandise Export (US\$) growth (annual % change)	27	(15)	(90)	(20)	50
4. Merchandise Import (US\$) growth (annual % change)	7	(22)	83	(1)	(14)
F. External Payments Indicators					
1. Gross Official Reserves (US\$ million, end of period)	na	na	na	na	na
a. months of imports	na	na	na	na	na
2. External Debt Service (% of exports of goods & services)	...	...	...	...	...
3. External Debt (% of GDP)	...	...	...	...	...
G. Memorandum Items:					
1. GDP (current prices, million local currency)	390	270	321	385	369
2. Exchange Rate (kina per US dollar, annual average)	1.0	1.0	1.0	1.0	1.0
3. Population (million)	0.88	0.75	0.78	0.89	0.83

— = not available, GDP = gross domestic product, na = not applicable

^a Official government finance estimates are in fiscal year ending 30 June, all other data in calendar year (i.e., corresponding to a fiscal year ending 31 December.)

^b Period average

Sources: IMF. Timor-Leste and Development Partners' Meeting, Staff Statement, 3-5 June 2003, Dili; IMF. Democratic Republic of Timor-Leste: Article IV Consultation -- Staff Report, Public Information Notice, and Selected Issues and Statistical Appendix, July 2003; staff estimates.

Table A2.3: Country Social Indicators

Item	1996	1999	Latest Year
1. Demographic Indicators			
Total Population ('000)	857	780	794 (2001)
Annual Population Growth Rate (% change)	1.7		
Dependency Ratio (% of dependents to working age)	81.6	78.6	82.2 (2001)
Total Fertility Rate (births per woman)	5.1 (1995)	3.8	—
2. Health			
Life Expectancy at Birth (years)	53.9	56.0	57.4 (2001)
Male	52.3	54.2	55.6 (2001)
Female	55.5	57.7	59.2 (2001)
Population with Access to Health Services (%)	—	—	—
Government Expenditure on Health			
As % of Total Government Spending	—	6.0 (2001)	9.5 (2002)
As % of GDP	—	—	1.6 (2002)
3. Education			
Adult Literacy Rate (%)	40.4	40.6	43.0 (2001)
Male	48.6	46.9	43.1 (2001)
Female	32.0	33.9	42.8 (2001)
Combined Gross School Enrollment Ratio	55.5	59.1	56.1 (2001)
Male	58.1	62.1	58.4 (2001)
Female	54.2	57.9	55.1 (2001)
Gross Primary Enrollment (% of aged 7-12 years)	90.6	94.4	111.6 (2001)
Male	—	—	—
Female	—	—	—
Gross Secondary Enrollment (% of aged 13-17 years) ^a	34.0 (1998/99)	33.0 (1999/00)	38.0 (2000/01)
Male	—	—	—
Female	—	—	—
Student-Teacher Ratio	—	—	52.0 ^b (2001)
Primary	—	—	62.0 (2001)
Government Expenditure on Education			
As % of Total Government Spending	—	19.7 (2001)	25.2 (2002)
As % of GDP	—	—	4.1 (2002)

— = data not available, GDP = gross domestic product.

^a World Bank. *Household Living Standards Measurement Survey (LSMS) 2001*.

^b East Timor Transitional Administration (ETTA), Asian Development Bank, World Bank and United Nations Development Programme (UNDP), *The 2001 Survey of Sucos: Initial Analysis and Implications for Poverty Reduction*.

Sources: Unless otherwise specified, data are from UNDP's *East Timor Human Development Report 2002*. Government spending data are from the Ministry of Finance.

Table A2.4: Country Poverty and Inequality Indicators

Item	1996	1999	Latest Year
1. Development Progress Indexes			
Human Development Index (HDI)	0.393	0.395	0.421 (2001)
Human Poverty Index (HPI)	51.0	49.0	—
Gender-related Development Index (GDI)	—	0.361	0.347 (2001)
2. Poverty Indicators			
Headcount Index (% poor of total population)	31.7	29.9	41.0 (2001)
Rural	33.6	31.1	46.0 (2001)
Urban	14.2	20.1	26.0 (2001)
Poverty Severity Index (%)	7.2	8.0	9.7 (2001)
3. Inequality Indicators			
Gini Coefficient	0.341	0.305	0.354 (2001)
Rural	0.318	0.281	0.323 (2001)
Urban	0.384	0.357	0.371 (2001)
Household Income (% of total)			
H20	—		45.0 (2001)
L20	—		7.0 (2001)
Income Ratio (H20/L20)	—		6.58 (2001)

— = data not available, H20 = highest income quintile, L20 = lowest income quintile, H20/L20 = ratio of share in total income of highest income quintile to share of lowest income quintile.

Sources: Data are from the United Nations Development Programme's (UNDP) *East Timor Human Development Report 2002*, except for income ratios, which were taken from the World Bank's Household Living Standards Measurement Survey (LSMS) 2001.

Table A2.5: Country Environment Indicators

Item	1990	Latest Year	
1. Energy Efficiency of Emissions			
Traditional Fuel Use (% of total energy use)	—	—	
2. Water Pollution			
Water Bodies Exceeding Contact Recreation Standards			
Biological Oxygen Demand (BOD)	—	—	
Chemical Oxygen Demand (COD)	—	—	
3. Air Pollution			
Carbon Dioxide (CO ₂) Emissions			
Total (millions of metric tons)	—	—	
Sulfur Dioxide (SO ₂) Emissions			
Per capita (kg)	—	—	
4. Land Use and Deforestation			
Total Land Area (km ²)	15,007	15,007	(2001)
Average Annual Deforestation			
Area	—	—	
% change	—	0.6	(1990-2000)
Arable Land (% of total land)	—	15.0	(2002)
Cropland, Permanent (% of total land)	—	—	
Pastures, Permanent (% of total land)	—	—	
Population Density, Rural (people per km ²)	—	—	
5. Biodiversity and Protected Areas			
Nationally Protected Area(s)			
Area (km ²)	—	—	
Number	—	—	
World Heritage Sites (number)	—	—	
Mammals (number of threatened species)	—	0	(2002)
Birds (number of threatened species)	—	6	(2002)
Higher Plants (number of threatened species)	—	—	
Reptiles (number of threatened species)	—	—	
Amphibians (number of threatened species)	—	—	
6. Urban Areas			
Urban Population			
% of total population	7.8	9.8	(1999)
		23.5 ^a	(2001)
Per Capita Water Use (liters/day)	—	—	
Wastewater Treated (%)	—	—	
Solid Waste Generated per Capita (kg/day)	—	—	

— = data not available, kg = kilogram, km² = square kilometer.

^a 2001 figure is not comparable with figures from previous years, as it is based on data from the East Timor Household Survey 2001, which had a sample of only 1,800 households (9,113 people) while the previous figures were based on data from the results of surveys or censuses during the Indonesian era which had samples of around 5,314 households (24,698 people). The two sources also used different definitions of urban areas.

Sources: Central Intelligence Agency (CIA). *The World Factbook 2002*. Available: <http://cia.gov>; United Nations Development Programme (UNDP). *East Timor Human Development Report 2002*; World Bank. *The Little Green Data Book 2003*.

Table A2.6: Development Coordination Matrix

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
A. Economic and Public Sector Reform	<p>Ongoing</p> <p>Economic and Strategies for Development Planning</p> <p>Exclusive Economic Zone Demarcation, \$120,000</p> <p>Programmed</p> <p>Strengthening the Statistics Office, \$150,000</p> <p>Small and Micro Enterprise Development, \$250,000</p>	<p>Ongoing</p> <p>Updating/Refinement of Annual Action Plans with supporting training activities. (UNDP, World Bank, UNICEF)</p> <p>Preparation of Roadmap (DFID/World Bank, UNDP, UNICEF)</p> <p>Preparation of Revised Budget and Financial Mgmt Law (IMF)</p> <p>Preparation of Adm. Directive on Dev. Project appraisal, tracking and monitoring procedures (AusAID, World Bank and UNDP)</p> <p>Setting up the Automated System for Customs Data or ASYCUDA (UNDP)</p> <p>Str. Capacity for Poverty Analysis (World Bank)</p> <p>Economic Institutions Cap. Bldg. (TFET)^a</p> <p>ASYCUDA Project (UNDP)</p> <p>Eco. and Tech. Cooperation II (China)</p> <p>Cap. Bldg. for Public Sector (Finland)</p> <p>Rehab of West Container Yard (Japan)</p> <p>Assistance for MTCPW Reg. Offices (Japan)</p> <p>Population and Housing Census (UNFPA)</p> <p>Translation Conference (US)</p> <p>Volunteer Services Abroad I (New Zealand)</p>
B. Private Sector Development	<p>Ongoing</p> <p>Microfinance Info Technology Systems Development, \$150,000</p>	<p>Microfinance Development Project (TFET)</p> <p>Preparation of Commercial laws on companies, contract and bankruptcy (TA – USAID, World Bank)</p> <p>Small Enterprises II (TFET)</p> <p>Promotion of Employability (Portugal)</p> <p>Eco. Rehabilitation and Development (US)</p>
C. Infrastructure 1. Transport and Communication	<p>Ongoing</p> <p>Transport Sector Restoration, \$500,000</p> <p>Postal Services Development, \$250,000</p> <p>Emergency Infrastructure Rehabilitation Project, Phase II (TFET)</p>	<p>Ongoing</p> <p>Internet Network for Development (UNDP)</p>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
<p>2. Energy</p> <p>3. Water Supply and Sanitation</p>	<p>Hera Port Fisheries Facilities Rehabilitation Project (TFET)</p> <p>Programmed</p> <p>Capacity Bldg to Strengthen Key Infrastructure Ministries, \$250,000</p> <p>Ongoing</p> <p>Power Sector Development Plan, \$400,000</p> <p>Ongoing</p> <p>Integrated Water Resources Management, \$600,000</p> <p>Water and Sanitation Rehabilitation, Phase II (TFET)</p>	<p>Petroleum Tech. Assistance (TFET)</p> <p>Energy and Environment (Norway)</p> <p>Ongoing</p> <p>Water & Sanitation I (UNICEF)</p> <p>Rural Community Water and Communal Health (Canada)</p>
D. Environment	<p>Ongoing</p> <p>Environmental Assessment Capacity Improvement, \$250,000</p>	
E. Agriculture, Forestry and Resources		<p>Agriculture Rehabilitation II (TFET)</p> <p>Reduction of Post Harvest Losses (Japan)</p> <p>Nat. Resource Development (New Zealand)</p> <p>Support to Implement Agriculture in NDP (FAO)</p>
F. Governance	<p>Ongoing</p> <p>Capacity Building to Develop Public Sector Mgmt, \$1 million</p> <p>Programmed</p> <p>Capacity Building to Strengthen Public Sector and Governance, \$550,000</p>	<p>Ongoing</p> <p>Preparation of Foreign Investment Law (US-AID/World Bank)</p> <p>Preparation of law on land (US-AID)</p> <p>Government & Public Administration Capacity Building (Canada)</p> <p>Economic and Technical Cooperation on Government (China)</p> <p>Human Resource Management (Finland)</p> <p>Special Fund for Government & Civil Society (Indonesia)</p> <p>Assistance to Central Administration System (World Bank)</p> <p>Strengthening Public Expenditure Management (World Bank)</p>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
		Support Transition to Independence (World Bank) Study on Decentralization Option (Ireland, USAID, World Bank) Preparation of civil service statute (UNDP)
G. Education		Ongoing Fundamental School Quality Program (TFET) English Language Teaching (Australia) Education Project (EU) Early Childhood Education (New Zealand) Short-term Training Program (Korea) Scholarship Program for Teachers (Japan) Human Res. Development (UK)
H. Judiciary		Support to Judiciary System (Denmark) Human Rights and Justice (EU) Justice II (New Zealand) Police III (New Zealand) Judiciary Support (UK)
I. Health		Health Sector Rehab. II (TFET) Health Governing Bodies (WHO) Health Tech. and Pharmaceuticals (WHO) HIV/AIDS I (UNICEF) Integrated Early Childhood I (UNICEF) National Mental Health (Australia) Primary Health II (Norway)

AusAID = Australian Agency for International Development, ASYCUDA = Automated SYstem for CUstoms Data, DFID = Department for International Development, EU = European Union, FAO = Food and Agriculture Organization of the United Nations, HIV/AIDS = human immunodeficiency virus/acquired immunodeficiency syndrome, IMF = International Monetary Fund, TFET= Trust Fund for East Timor, UNDP = United Nations Development Programme, UNFPA = United Nations Population Fund, UNICEF = United Nations Children's Fund, UK = United Kingdom, US = United States, USAID = United States Agency for International Development, WB = World Bank, WHO = World Health Organization.

^a TFET is funded by Australia, Finland, Ireland, Italy, Japan, New Zealand, Norway, Portugal, UK, US, European Commission, and World Bank. World Bank is Trustee, while IDA and ADB are the implementing agencies.

Table A2.7: Assistance Pipeline for Lending Products, 2003–2004

Year/Sector/ Project or Program Name	Poverty Classifi- cation ^a	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$ million)				
						ADB		Gov't	Cofi- nancing	
						OCR	ADF			Total
2003 Loans										
TBD					0		0	0		0
Subtotal					0	0	0	0	0	0
2004 Loans										
TBD					0		0	0		
Subtotal					0	0	0	0	0	0
2005 Loans										
TBD					0		0	0		0
Subtotal					0	0	0	0	0	0
2006 Loans										
TBD					0	0	0	0	0	0
Subtotal					0	0	0	0	0	0

ADB = Asian Development Bank, ADF = Asian Development Fund, OCR = ordinary capital resources, TBD = to be determined.

^a This classification was completed prior to the finalization of the improved and redesigned classification system in December 2000, which will be applied from January 2001.

Table A2.8: Assistance Pipeline for Nonlending Products and Services, 2003–2004

Year/Sector/ Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
			ADB		Others		
			Source	Amount (\$'000)	Source	Amount (\$'000)	
2003							
Finance and Industry							
1. Capacity Bldg. to Strengthen Public Sector Management and Governance Skills (Phase II)	PAHQ	ADTA	JSF	550.0			550.0
2. Strengthening the Statistics Office	PAHQ	ADTA	JSF	150.0			150.0
Subtotal				700.0		0.0	700.0
2004							
Finance and Industry							
1. Small and Micro Enterprise Development	PAHQ	ADTA	JSF	250.0			250.0
2. Infrastructure Ministries Capacity Building	PAHQ	ADTA	JSF	250.0			250.0
Subtotal				500.0		0.0	500.0

ADTA = advisory technical assistance, ADB = Asian Development Bank, JSF = Japan Special Fund, PAHQ = Pacific Operations Division.

CONCEPT PAPERS FOR NONLENDING PRODUCTS AND SERVICES

This appendix contains the concept papers for projected nonlending products and services.

- (i) Table A3.1: Capacity Building to Strengthen Public Sector Management and Governance Skills (Phase II)
- (ii) Table A3.2: Strengthening the Statistics Office
- (iii) Table A3.3: Small and Microenterprise Development
- (iv) Table A3.4: Infrastructure Ministries Capacity Building

Table A3.1: Capacity Building to Strengthen Public Sector Management and Governance Skills (Phase II)

Date: May 2003

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input checked="" type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input checked="" type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Governance Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area</p> <table> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other: Support for Bank operations</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other: Support for Bank operations	
<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other: Support for Bank operations										
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p>4. Responsible division/department: Pacific Operations Division/Pacific Department</p>										
<p>5. Responsible ADB officer: A. Hinduja</p>										
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The technical assistance (TA) will continue to build the capacities of citizens of Timor-Leste in local public administration and governance, which is a high priority in the national development agenda. Strengthening the subnational units of government in Timor-Leste is essential in responding to the basic needs of the people and in promoting sustainable human development. A well-functioning government that is closer to the people provides more opportunities for better program development and implementation, more focused service delivery, and improved accountability of public personnel. Greater people's participation in planning and decision making is likewise enhanced, thus making the public administrative system more responsive and transparent.</p>										

Implementation experience under TA 3839 underscores a number of important lessons. A basic lesson learned is that the any capacity-building intervention and assistance should have a broad framework for implementation. However, it must be emphasized that such a framework should be designed and formulated in close partnership and consultation with the stakeholders themselves. This will provide the basis for ownership of the framework and hence guarantee sustainability.

Another major lesson learned from the ongoing TA for local authorities in Timor-Leste is that the capacity building cannot—and should not—be fast-tracked. It cannot—and should not—be a one-shot deal imposed from above by the central authorities, or worse, by any external aid agency. It is a process that should involve extensive participation of the local stakeholders themselves in all phases of the capacity-building and development process—conduct of the training needs assessment, design of the capacity-building program including the development training modules, and the implementation, review, and follow-up of program interventions. This will lay the ground for ownership of the capacity building intervention and strategies and hence increase the chances of institutionalizing human resource development efforts and eventually the success of the capacity-building intervention.

A second and follow-up TA for capacity building for local authorities in Timor-Leste is imperative if only to build upon and sustain the hard-earned gains of the first TA. The groundwork has been set. Investments to guarantee ownership of the capacity-building program have been made with a high degree of success. The local partners have many times openly declared their ownership of the primary output of the first phase of the ongoing TA, which is the Capacity Building Program for Local Authorities (CPLA). They are committed to its implementation. Additionally, other major stakeholders from the government of Timor-Leste including the Capacity-Building Coordination Unit (CDCU) in the Office of the Prime Minister, and other international funding agencies (such as AusAID) have also declared their support for the successful implementation of the CPLA. It is therefore necessary to build upon such gains and carry the capacity building program for local authorities to its successful conclusion.

b. Goal and purpose: The TA will strengthen the capacities of district and subdistrict officers, village leaders, and training institutions in Timor-Leste, particularly that of the Instituto Nacional da Administracao Publica (INAP) or the National Institute of Public Administration (NIPA) as the lead government agency responsible for the professional training and career development of civil servants at the national and local levels. It will likewise continue the strengthening of the mobile assistance teams and institutionalization of continuous in-service training through a capacity-building network developed during the previous TA.

c. Components and outputs: The TA will (i) continue to expand and train the pool of trainers from INAP, mobile assistance teams, and other indigenous groups (e.g., academic institutions and NGOs); (ii) continue to train local authorities; (iii) continue to further develop and improve training modules particularly in the subject areas of problem-solving, managing information, leadership and management, project development, and local development administration; (iv) continue to support the institutionalization of an effective delivery system of continuous, and needs-based in-service training for district and subdistrict officers including village leaders that is essentially centrally guided (by INAP) and locally managed (by the local governments themselves) and aided by the mobile assistance teams; and (v) continue to monitor results and outcomes vis-à-vis the set standards.

d. Expected results and deliverables: The results and deliverables will be: (i) the total number of individuals trained across the identified training courses under the CPLA, (ii) the total number trainer trained, (iii) the total number of organized and functional mobile assistance teams, (iv) the total number of training modules developed/improved, and (v) functional network for in-service training delivery system at the local level.

e. Social or environmental issues or concerns: None.

f. Plans for disseminating results/deliverables: Public and all stakeholders would be kept continually informed of the results.

7. Proposed executing/implementing agencies: Office of Administration for Local Government and Development (OALGD) as the counterpart agency and INAP as the executing agency.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: All stakeholders will be consulted and involved in the project preparation.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2003

<p>b. Expected date of submission for approval Lending: Nonlending (project preparatory): Nonlending (other than project preparatory): October 2003</p> <p>Activities financed by JFICT or JFPR:</p> <p>c. Period and duration of assistance Lending: Nonlending: October 2003–December 2004 Activities financed by JFICT or JFPR:</p>
<p>10. Financing Plan</p> <p>a. For lending <input type="checkbox"/> Ordinary capital resources: <input type="checkbox"/> Asian Development Fund: <input type="checkbox"/> Other:</p> <p>b. For nonlending <input type="checkbox"/> No resources required, other than ADB staff <input type="checkbox"/> ADB's administrative budget: <input checked="" type="checkbox"/> Grant TA funds (\$550,000) <input checked="" type="checkbox"/> TA Special Fund: <input type="checkbox"/> Japan Special Fund: <input type="checkbox"/> Other: \$</p>

CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program.

Table A3.2: Strengthening the Statistics Office

Date: 21 May 2003

<p>1. Type/modality of assistance (double-click on appropriate box)</p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>										
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Statistics Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input checked="" type="checkbox"/> Other: Statistics</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input checked="" type="checkbox"/> Other: Statistics	
<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input checked="" type="checkbox"/> Other: Statistics										
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p>4. Responsible division/department: PAHQ/ERDI</p>										
<p>5. Responsible ADB officer(s): G. Capannelli/A. Asra</p>										
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy: In deriving country strategy, some basic information regarding the economy of the country is required. It includes macro-economic (and social) indicators, such as national accounts, inflation figures and other price indices, and trade statistics. This information already exists in Timor-Leste, however, the quality, the coverage, and the timeliness need to be improved. The Statistics Office is in its initial stage to develop as a functioning statistics office like in other countries because the country just gained its independence a year ago. The number of staff is limited and most of them do not have a sufficient background in statistics. It is important for ADB to take the lead in assisting the statistical capacity in the country as ADB did for Cambodia and other countries. On 8 July 2002, the Government sent a request to ADB (to the Director General of the Pacific Department) for support for the Statistics Office.</p> <p>b. Goal and purpose: The goal of this small-scale technical assistance is to strengthen the capacity of the Statistics Office. The specific purposes are to assist the Statistics Office to develop statistics law, statistical plans, and programs (short and long-terms), and to improve the existing price statistics/survey and trade statistics.</p>										

c. Components and outputs:

- (i) Statistics law;
- (ii) Statistical development plans and programs (5-year master plan and the yearly plans);
- (iii) Price statistics;
- (iv) Trade statistics;
- (v) Training of the staff on price and trade statistics; and
- (v) Some equipment

d. Expected results and deliverables: Statistics law and statistical development plans and programs, improved price statistics and inflation figures, improved trade statistics, and better quality staff.

e. Social or environmental issues or concerns: None.

f. Plans for disseminating results/deliverables: Country workshops/seminars and publications.

7. Proposed executing/implementing agencies: Statistics Office

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

In July 2002, a fact-finding mission was fielded to Timor-Leste. A number of officials from the Ministry of Planning and Finance, Statistics office, Central Fiscal Authority, and Banking and Payments Authority, and representatives from international organizations—International Monetary Fund (IMF) advisor, United Nations Population Fund (UNFPA), World Bank, United Nations Development Programme (UNDP), UNICEF, and Japan International Cooperation Agency (JICA)—were consulted.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2003
- b. Expected date of submission for approval
 - Lending:
 - Nonlending (project preparatory):
 - Nonlending (other than project preparatory): September 2003
- c. Period and duration of assistance{s}
 - Lending: {insert period and duration}
 - Nonlending: November 2003–November 2005

10. Financing Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
 - Ordinary capital resources: \$
 - Asian Development Fund: \$
 - Other: \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
 - No resources required, other than ADB staff
 - ADB's administrative budget: \$
 - Grant TA funds: \$150,000
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A3.3: Small and Microenterprise Development

Date: May 2003

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input checked="" type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture Subsector: Sugar</p> <p>b. For project preparatory and lending, classification</p> <p><input checked="" type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input checked="" type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input checked="" type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development									
<input checked="" type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p>4. Responsible division/department: PAHQ/PARD</p>										
<p>5. Responsible ADB officer(s): Kunhamboo Kannan</p>										
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy: The economy of Timor-Leste is small and the population is poor. The land area of 14,874 square kilometers is extremely mountainous, exhibits soil erosion, and is prone to drought. The 2000 population was 784,000, with about another 60,000 as refugees in West Timor. The population has increased at an average annual rate of 1.4% from the 1960 level of 517,100. As a consequence of poor economic growth and political uncertainty, it has resulted in a low level of public and private investment. Poverty has increased, stressing the urgency to create jobs and provide greater assistance to the poor. In 2002, real gross domestic product (GDP) per capita in was about \$400. Initial estimates indicated a 40% decline in real GDP in 1999 though the decline is now considered to be smaller. The violence and unrest shook the entire foundation of the economy, involving destruction of public and private property, disruption of the agricultural cycle and trade, and destruction of a large part of the infrastructure. With a gradual return toward normalcy, there has been a strong rebound in the economy. Unemployment remains high, and high wages paid by the international organizations and the inflexible wage structure have distorted the labor market. The recovery process is expected to gather momentum</p>										

in the coming years led by agriculture, construction, and services. The agriculture sector accounted for about 31% of GDP, and employed the vast majority of Timorese in subsistence rice and corn farming and supplementary, export-oriented production of coffee and beef. The manufacturing sector is small, accounting for 3% of GDP. Out-migration of Indonesians left a large human resource gap, particularly in entrepreneurial skills.

b. Goal and purpose: The informal off-farm sector that is prominent in many developing countries is not well developed in Timor-Leste. The technical assistance (TA) to be provided by the Asian Development Bank (ADB) will assist the Government in designing, costing, and analyzing a project to help provide small and microenterprises as a means of livelihoods for Timorese. This will include assistance in identifying both means of livelihood and the support (for example credit and training) needed to help people still working in agriculture and unemployed. It will also entail the provision of assistance to help identify, cost, and design infrastructure requirements to support livelihood activities. In addition, the TA will identify any policy and institutional impediments to be addressed to ensure project success. It will furthermore identify and design specific grant-financed TA activities that could be financed either by ADB or by other development partners in support of the project. Specific attention will be paid to the needs and the potential of women in achieving successful microenterprises.

c. Components and outputs: The ultimate output of the TA will be a fully documented and costed project preparation report that could be submitted to ADB and/or other development partners for financing.

d. Expected results and deliverables: A project preparation report detailing the scope, cost, implementation arrangements, economic, social and environmental analysis, and required institutional support for microenterprise development

e. Social or environmental issues or concerns. As a result of the downsizing of international presence, as much as 50% of the workforce would face unemployment, and the social consequences would inevitably impact on the economy and could cause serious social disruption and further increase levels of poverty.

f. Plans for disseminating results/deliverables: The public and all stakeholders will be kept informed of the results of consultations through local level meetings and other media.

7. Proposed executing/implementing agencies: Ministry of Development and Environment

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: All stakeholders will be consulted and involved in the project preparation.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2003
- b. Expected date of submission for approval
 - Lending: 2004
 - Nonlending (project preparatory): 2004
 - Nonlending (other than project preparatory):
 - Activities financed by JFICT or JFPR:
- c. Period and duration of assistance
 - Lending: 5 years
 - Nonlending:
 - Activities financed by JFICT or JFPR:

10. Financing plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
 - Ordinary capital resources:
 - Asian Development Fund: \$5 million
 - Other:

If cofinancing is required indicate sources, and amount sought: Yes, European Investment Bank, \$10 million
If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget:
- Grant TA funds
 - TA Special Fund:
 - Japan Special Fund: \$350,000
 - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

c. For projects financed by

- JFICT:
- JFPR: \$0.5 million

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A3.4: Infrastructure Ministries Capacity Building

Date: July 2003

<p>1. Type/modality of assistance (double-click on appropriate box)</p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>										
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Infrastructure Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input checked="" type="checkbox"/> Other: Multisector</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input checked="" type="checkbox"/> Other: Multisector	
<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input checked="" type="checkbox"/> Other: Multisector										
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p>4. Responsible division/department: PAHQ/PARD</p>										
<p>5. Responsible ADB officer(s): H. Baxter</p>										
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy: The Government's National Development Plan and Roadmap identifies capacity building within government and the restoration of public infrastructure as two priority areas for development activity. These priorities were confirmed by the Country Programming Mission and are reflected in the CSPU. The Government has requested that development partners already experienced and involved in particular sectors include capacity building activities in their programs where possible. ADB has had extensive involvement in the infrastructure restoration activities undertaken in Timor-Leste both pre- and post-independence.</p> <p>b. Goal and purpose: The proposed TA will improve the capability of managers and staff in the infrastructure agencies to achieve their mission and deliver services effectively and efficiently.</p> <p>c. Components and outputs: The TA will: (i) identify the competencies and capacity existing in the relevant agencies, assess the adequacy of managers and staff to perform their functions and responsibilities, and identify gaps; (ii) design a capacity building program (including training, processes and tools) to address the identified gaps in</p>										

the short, medium, and long term; and (iii) deliver appropriate training to cover the short-term needs.

d. Expected results and deliverables: The infrastructure agencies will have improved capacity for the management of infrastructure assets, and the planning and execution of infrastructure projects. They will have a comprehensive program for training and staff development for the medium and long term.

e. Social or environmental issues or concerns: No major social or environmental issues are expected.

f. Plans for disseminating results/deliverables: Results will feed into second stage project as lessons learned and good practice, and will be disseminated to other Timor-Leste government agencies through the Capacity Development Coordination Unit in the Prime Minister's Office.

7. Proposed executing/implementing agencies: Ministry of Transportation, Communication, and Public Works

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

The Timor-Leste Government, in particular the Capacity Development Coordination Unit in the Prime Minister's Office, has developed and promulgated a comprehensive set of ministerial capacity development profiles in which ADB is nominated as the preferred development partner for this activity. The profiles were set out at the June 2003 Development Partners Meeting in Dili. The nature of the proposed assistance has been discussed with the Ministry of Finance and Planning, Ministry of Transportation, Communication and Public Works, and the Project Management Unit currently working with the Department of Public Works.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2003

b. Expected date of submission for approval
 Lending:
 Nonlending (project preparatory):
 Nonlending (other than project preparatory): 2004

c. Period and duration of assistance{s}
 Lending:
 Nonlending: 12 months

10. Financing Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources:
 - Asian Development Fund:
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
 - ADB's administrative budget
 - Grant TA funds \$250,000
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, SCSP = subregional cooperation strategy and program, TA = technical assistance.