

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: PAHQ

<b>TA No., Country and Name</b>			<b>Amount Approved:</b> \$250,000	
TA 3819 TIM: Postal Services Development			<b>Revised Amount:</b> \$250,000	
<b>Executing Agency:</b>	<b>Source of Funding:</b>	<b>TA Amount Undisbursed</b>	<b>TA Amount Utilized</b>	
UNTAET	JSF	\$111,449	\$138,551	
<b>TA Approval Date</b>	<b>TA Signing Date</b>	<b>Fielding of First Consultants</b>	<b>TA Completion Date</b>	
			<b>Original</b>	<b>Actual</b>
19 Dec 2001	04 Mar 2002	19 April 2002	31 Dec. 2002	23 Dec 2005
			<b>TA Closing Date</b>	
			<b>Original</b>	<b>Actual</b>
			31 Dec 2002	23 Dec 2005
<b>Description</b>				
<p>In late 2001, the United Nations Transitional Administration in East Timor (UNTAET), which was the governing body of East Timor (now Timor-Leste) requested ADB to provide technical assistance to reestablish an appropriate framework for developing an efficient, cost-effective postal system for East Timor. The assistance was meant for (i) preparing a master plan for rehabilitating and establishing postal infrastructure and services; (ii) establishing a suitable legal framework; and (iii) implementing a training program for East Timorese to effectively manage the postal system. The President approved the TA on 19 December 2001 and the TA became effective March 2002. The first consultant was engaged the following month.</p>				
<b>Expected Impact, Outcome and Outputs</b>				
<p>The expected impact was to restore postal communications within and outside the country in order to stimulate economic growth. The expected outcome was to reestablish a fully functional, commercially-oriented postal service in East Timor. The expected TA outputs were: (i) a master plan for postal development, (ii) a regulatory framework, and (iii) training including external and secondment training for East Timorese.</p>				
<b>Delivery of Inputs and Conduct of Activities</b>				
<p>A total of 17 months input was provided by three international consultants. The Postal Operations Specialist prepared and submitted a master plan for postal development which the Government accepted. The master plan recommended a statutory authority be established. The plan included a draft Postal Law, a financial plan to make the postal service self-sufficient, a strategy for rebuilding the post shop network, opening up new services, street delivery, improved quality of service, and staff training. Staff training was made a priority. A minor change in the implementation of the TA was approved to allow the engagement of a training specialist. The consultant was engaged for 10 months and that helped build the capacity of the local postal staff. In addition, English language training on postal parlance was provided. A Postal Management Specialist was engaged for 6 months to implement the rest of the recommendations in the master plan. The consultant worked closely with officials of the Ministry of Transport, Communications and Public Works. During the consultant's tenure, the Basic Law on Postal Services was promulgated by the President of the newly-established republic. The Consultants' performances are rated satisfactory. The consultants fulfilled their respective terms of reference and provided frank and honest advice to the ADB TA officer on prospects for TA success. ADB's performance is also rated satisfactory. The original TA officer (Manila-based) undertook regular TA review missions and closely monitored and guided TA implementation. When TA implementation was delegated to ADB's Special Office in Timor-Leste, even closer scrutiny of the TA and advice from the consultant prompted the decision to recommend to the Government that the TA be closed, which was the correct decision. Executing Agency (EA) performance was made difficult because of frequent personnel changes, and EA performance is rated less than satisfactory.</p>				

### **Evaluation of Outputs and Achievement of Outcome**

The TA delivered its expected outputs of a Postal Master Plan, it provided internal training to postal staff, it even arranged, through the consultant's contacts, the training in Lisbon, Portugal of the interim Director of the Postal Service, and the Basic Law of Postal Services was promulgated. These were achieved within the budget but with long delays. Given the post conflict situation in the country, the delays are understandable. The delays were brought about by the constant change of ministers and heads of departments, which resulted in a lack of understanding of the project and, as a consequence, a low level of interest among the top officials of the Ministry of Transport, Communications and Public Works. At the outputs level, the TA could be rated 'successful', but not at the outcome level. For example, postal staff were trained, but this did not result in improved postal service performance indicators. Postal services were probably slower and less reliable after the TA than before it. Postal Service market share fell; and Postal Service financial performance worsened, to the extent that air freight payments to commercial carriers became delinquent and for periods Postal Service freight was no longer accepted. Several recommendations in the master plan were not acted on by the Government. This also suggests that TA support in post-conflict situation needs to have a long term perspective. It is promising that the Postal Service is now carrying correspondence between the Government of Portugal and Timor-Leste residents entitled to Portuguese pension benefits.

### **Overall Assessment and Rating**

The TA is rated as 'partly successful'. Although the TA successfully delivered most outputs, the Postal Service of Timor-Leste was unable to respond due to generally weak capacity and continued civil conflicts.

### **Major Lessons**

Development assistance absorptive capacity is low in post conflict, fragile environments. Technical assistance should target only the very highest of development priorities needed for state building, infrastructure development, and service delivery.

### **Recommendations and Follow-Up Actions**

It was appropriate for ADB to disengage from building the Postal Service of Timor-Leste. The Postal Service still underperforms, and it is no better placed to respond to external assistance than when the TA was being implemented. ADB should not at this stage consider further TA for the Postal Service. Meanwhile, private courier companies carry the bulk of mail in and out of Timor-Leste. Prices will fall as competition increases. The Postal Service may eventually be able to compete in niche positions within the Timor-Leste postal market.

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