

Part 2

ADB'S Technical Assistance Grant Projects

ADB's TECHNICAL ASSISTANCE GRANT PROJECTS

FOR 2000

Implementation Status

Community Empowerment Program, TA 3400-ETM

Project Rationale

- Establish an efficient and effective system of local governance for the people of East Timor.

Beneficiary

- Rural communities in East Timor

Project Scope

- Form effective local councils to cover all 13 districts, 64 subdistricts, and 440 villages of East Timor.
- Undertake detailed plan for socioeconomic assessment.
- Train and deploy village representatives.
- Prepare technically sound village rehabilitation plans.
- Prepare comprehensive plan for long-term capacity building of village development councils.

Executing Agency

- UNTAET

Cost Estimate and Financing Plan

- \$1,290,000 equivalent, of which \$990,000 is financed by ADB on a grant basis from the ADB-funded TA program and the rest by the World Bank

Date of Commencement/Project Completion

- February 2000/September 2001

Outcome

- Assisted in conducting council elections in 50 subdistricts comprising 348 villages. As a result 4,800 council members were elected.
- Assisted in the appointment of *posto* (subdistrict) and *suco* (village) facilitators to guide the council members in identifying potential village programs for the implementation of the TFET-funded CEP program.
- Assisted the Office of Internal Administrator district representatives in the consultation process with community leaders.
- Disbursed grants under the CEP program of the World Bank to village development councils covering 317 suco councils.
- Distributed to each village development council emergency rehabilitation support including building materials and farm equipment.
- Established a communications system for village council members including designing of graph and materials to convey project information messages.
- Resulted in the preparation of the World Bank-managed TFET-funded Community Empowerment and Local Governance Project for \$21.5 million.

Transport Sector Restoration, TA 3401 ETM

Project Rationale

- Establish effective transport sector management in the transport subsectors by (i) taking initial steps to establish the institutional and regulatory framework for the road, port, and airport subsector management, and (ii) reviewing the respective long-term development requirements to enable these subsectors to contribute to poverty reduction and economic growth.

Beneficiary

- East Timor

Project Scope

- Review the legal, regulatory, and policy frameworks.
- Propose and establish immediate management and administrative structure.
- Outline specifications for an immediate and long-term restoration and procurement needs and development program.
- Propose and initiate a business-oriented contracting industry.
- Support preparation of a national transport policy and investment framework.

Executing Agency

- UNTAET (Ministry of Communications and Transport; Ministry of Water and Public Works)

Cost Estimate and Financing Plan

- \$1.0 million financed by ADB on a grant basis from the ADB-funded TA program. The TA will also finance all costs of East Timorese counterparts.

Date of Commencement/Project Completion

- March 2000/March 2002

Outcome

- TA has examined restoration of operations in the three transport subsectors in East Timor commencing in February 2002. It has prepared proposals for (i) management contracts for the operation of the port and the airport sectors, (ii) competitive and sustainable shipping services to Oecussi and Atauro, institutional organization of the transport sectors, (iii) legislative framework for the transport sectors, and (iv) reviews and assessment of port and airport sector investment and restoration needs, and (v) a multi-modal transport plan. The latter has provided background and support documentation for preparation of the national transport plan, and has been published for the donors meeting in May 2002 under title "Transport Sector Masterplan for East Timor".

Capacity Building for Governance and Public Sector Management, TA 3412-ETM

Project Rationale

- To build the capacity of East Timorese in critical skills development for economic recovery including parliamentary business, judicial administration, and public sector management.

Beneficiary

- East Timorese public officials

Project Scope

- The capacity building interventions include various methodologies such as workshops in East Timor, attendance at seminars or training programs in other countries, secondment to public sector agencies of other countries, study tours, or visiting experts to offer policy advice and on-the-job training.

Executing Agency

- UNTAET

Cost Estimate and Financing Plan

- \$1 million financed by ADB on a grant basis from the ADB-funded TA program

Date of Commencement/Project Completion

- April 2000/December 2002

Outcome

- A total of 11.8 person-months of international experts on personnel recruitment and training have been fielded to build capacity in the central government offices.
- 50 potential recruits have been selected through rigorous selection process for public sector management training.
- 1,300 East Timorese from the 13 districts attended workshops organized by the Conselho Nacional da Resistencia Timorese (CNRT) to debate on the government structure.
- 47 participants attended a 5-day local government training program at the Civil Service Training Academy.
- 5 senior East Timorese officials have undergone public sector management training in Bangkok.
- 4 specialists have been fielded to provide information technology and fiscal policy advice in the central government office (Central Payments Office and Central Fiscal Authority).
- 10 desktop computers and 2 printers have been provided for use by the central government.
- 2 experts have been fielded to provide advice on fishery matters.

Poverty Assessment and Statistics, TA 3425-ETM

Project Rationale

- There is a pressing need to prepare an update on social and economic conditions in East Timor to assess current production and dissemination of social and economic data, and to identify prioritized actions needed to produce and disseminate appropriately comprehensive, reliable, and timely data in a post-UNTAET East Timor.

Beneficiary

- East Timor

Project Scope

- The TA will prepare a report on economic and social conditions that encompasses the key productive sectors of agriculture, private sector activity, physical infrastructure, health, and education.

Executing Agency

- UNTAET

Cost Estimate and Financing Plan

- \$52,900 equivalent financed by ADB on a grant basis from the ADB-funded TA program

Date of Commencement/Project Completion

- April 2000/August 2000

Outcome

- 1,000 households and 50 businesses were surveyed in 6 districts.
- A twin report on poverty assessment and statistical assessment and needs analysis were prepared and submitted in June 2000, which was made the basis of TA 3512-ETM (Strategies for Economic and Social Development). It has been widely used as a reference material by other aid organizations in their work in East Timor.

Rehabilitation of the Telecommunications Sector, Phases I and II, TA 3428-ETM and 3504-ETM

Project Rationale

- There is an urgent need to establish a national telecommunications strategy in two phases.

Beneficiary

- Urban and rural communities of East Timor

Project Scope

- Examine viable technical options to rehabilitate and reconstruct the telecommunications sector, taking into account the existing technical set-up as well as future extensions, and the short- and long-term implications of various technical solutions.
- Formulate strategy and planning recommendations for the future East Timor telecommunications sector.
- Assess the government's role in setting up a regulatory framework as well as the modality of its involvement in sector operations.
- Prepare and evaluate the tender process including shortlisting of candidates, designing the evaluation criteria, and preparing tender documents.

Executing Agency

- UNTAET

Cost Estimate and Financing Plan

- Phases I and II are estimated to cost \$300,000 and the entire cost will be financed by ADB on a grant basis from the ADB-funded TA program. Phase I will also finance all costs of one East Timorese counterpart.

Date of Commencement/Project Completion

- May 2000/December 2001

Outcome

- A total of 7.5 person-months of international experts have been engaged to provide assistance in setting up a program for the technical repair, rehabilitation, and extension of the telecommunications system of East Timor. A national telecommunications strategy has evolved from the findings of the consultants.

Microfinance, TA 3435-ETM

Project Rationale

- A preliminary assessment recently undertaken by a consortium of private companies and international funding agencies has concluded that East Timor offers excellent opportunities for the establishment of viable microfinance institutions (MFIs).
- Rehabilitation and expansion of credit union operations, building on local initiatives, is one of the best alternatives available for rapid establishment of viable MFIs in East Timor.
- Another promising prospect in East Timor is the establishment of a specialized microfinance bank, patterned after successful models in other countries, such as Bolivia and the Philippines.

Beneficiary

- Microentrepreneurs in East Timor

Project Scope

- Support the preparation of a detailed assessment of longer term options for sustainable development of the microfinance sector in East Timor, and assess the demand and requirements for microfinance services, including the viability of establishing a microfinance bank in East Timor.
- Prepare a microfinance project report specifying the design and implementation requirements for establishing microfinance banking system in East Timor, including specifications for a financing facility for credit unions and other microfinance intermediaries.

Executing Agency

- UNTAET

Cost Estimate and Financing Plan

- \$150,000 equivalent financed by ADB on a grant basis from the ADB-funded TA program

Date of Commencement/Project Completion

- June 2000/September 2000

Outcome

- A project feasibility report was prepared and submitted to ADB in August 2000. As a result, the TFET-funded Microfinance Development Project was prepared and is now under implementation.

Environmental Assessment Capacity Improvement, TA 3501-ETM

Rationale

- Develop a core of East Timorese expertise to review, evaluate, and monitor the enforcement and implementation of environmental management laws, regulations, and standards.

Beneficiary

- UNTAET (Environmental Planning Unit of the Ministry of Economic Affairs and Development)

Project Scope

- Develop environmental and natural resources management capacity and provide short courses on environmental management in East Timor for six selected East Timorese professionals, and identify in-service training with environment departments of two ADB developing member countries on environmental impact assessment evaluation and implementation monitoring.
- Develop an institutional development plan for environmental management in East Timor.
- Review the environmental and natural resource laws, legislation, and regulations currently enforced in East Timor, and make related recommendations considering the conditions in East Timor.
- Prepare an environmental profile of East Timor identifying critical environmental issues and problems.

Executing Agency

- UNTAET (Environmental Planning Unit of the Ministry of Economic Affairs and Development)

Cost Estimate and Financing Plan

- \$250,000 financed by ADB on a grant basis from the ADB-funded TA program

Date of Commencement/Project Completion

- January 2001/June 2002

Outcome

- Consultant's Interim Report was received on 5 October 2001 and provided an Environmental Profile Report and the status of training activities for upgrading the Environmental Planning Unit's capacity to undertake environmental impact assessment.
- Draft final report expected in June 2002 will provide the environmental profile, status and effectiveness of the in-country and external training, make recommendations for the institutional and legislative framework, and an action plan for strengthening the operations of the environmental monitoring function.

Strategies for Economic and Social Development, TA 3512-ETM

Project Rationale

- To support the formulation and adoption of a coherent set of policies and strategies for economic and social development.

Beneficiary

- East Timor

Project Scope

- Conduct an in-depth poverty analysis based on household survey and participatory methods.
- Formulate strategies for economic and social development.
- Design a simple, workable, and cost-effective economic and social management strategy (ESMS).

Executing Agency

- Economic Affairs Department, Trade and Commerce Division, ETPA

Cost Estimate and Financing Plan

- \$650,000 equivalent financed by ADB on a grant basis from the Japan Special Fund funded by the Government of Japan

Date of Commencement/Project Completion

- January 2001/December 2002

Outcome

- The TA team of consultants submitted its final report to ADB in September 2001. The final report proposes an implementation strategy for capacity development of the public sector.
- The poverty assessment component is a joint undertaking involving ADB, UNDP, the World Bank and ETTA. The village-level survey has been conducted and the data widely disseminated. The main output to date has been the preparation of a detailed inventory at the *suco* (i.e., village) level of existing social and physical infrastructure, of the economic characteristics of each *suco* and of the coverage of public services. The presentation by the National Planning and Development Agency (NPDA) of the initial analysis from *the Survey of Sucos in Timor Lorosa'e* was attended by 100 participants and accompanied by good press coverage.
- The household survey design, questionnaire, and training of survey teams are complete and field work was conducted during end-2001. The participatory poverty assessment plan has been prepared and training commenced in September. The poverty assessment (field surveys) was completed in late 2001. A report on the PPA is available. The consultative phase will result in a poverty-focused development strategy.
- The data of the HIES are being analyzed and a report on the HIES findings will be prepared. A composite report describing the results of the three field surveys is being prepared by ADB consultant and expected to be finalized around mid-2002.

Capacity Building for Local Government, TA 3515-ETM

Rationale

- ADB, under the Community Empowerment TA, has provided financing to support district and national level workshops on local government. ADB has also supported Civil Service Academy workshops on this issue for East Timorese in the employment of the transitional government.
- The objectives of this TA are (i) to support the development of a detailed capacity building plan for East Timorese district administrators to strengthen their skills and capabilities for taking on new roles, and (ii) to provide opportunities for involvement of decision makers in the establishment of political structures for local government by evaluating the experiences of other developing countries in Asia.
- This TA is envisaged as the first phase of a longer term capacity building initiative for local government in East Timor.

Beneficiary

- East Timor local government officials

Project Scope

- District Administrators Strengthening. The district administrators are the focus of this TA component.
- Individual consultants will be contracted to develop a capacity building plan for the East Timorese district administrators under this TA.
- Local Government Political Structure Workshops. East Timorese who will be responsible for the form of local government to be adopted by East Timor participate in these workshops.
- A series of workshops with external experts on local government for the conceived decision makers.

Executing Agency

- East Timor Transitional Administration (ETTA)

Cost Estimate and Financing Plan

- \$150,000 equivalent financed by ADB on a grant basis from the ADB-funded TA program

Date of Commencement/Project Completion

- October 2000/December 2001

Outcome

- A number of international experts have been engaged to conduct workshops and a study tour, and prepare a discussion paper for consideration by the newly-formed Constitutional Assembly.
- A Think Tank has been set up comprising 20 East Timorese decision makers to identify the components of an effective and efficient system of local government appropriate to the needs of East Timor, and to examine and debate the options for future local government structures. The Think Tank is supported by a Secretariat.
- 11 members of the Think Tank accompanied by the Research Officer of the Secretariat visited two provinces in the Philippines for a study of the local government unit of the country and its relevance to East Timor.
- A discussion paper was presented to the Constituent Assembly in the third week of September to assist the members in identifying an effective and efficient system of local governance.

Strengthening the Microfinance Policy and Legal Framework, TA 3556-ETM

Rationale

- Lack of adequate microfinance policies is the major constraint in the establishment of viable microfinance institutions; despite the great potential for microfinance services, banking facilities and services are currently very limited; existing policies are not conducive for delivery of financial services to the poor; and microfinance institutions need an environment in which they can operate without unnecessary restrictions.

Beneficiary

- East Timorese

Project Scope

- The TA will help prepare policies and regulations, including (i) policies on ownership and establishment of a microfinance bank; (ii) licensing and minimum capital requirements for the establishment of microfinance banks; (iii) legislation enabling microfinance banks to provide full financial services to the poor; and (iv) legislation to facilitate the formation and operation of credit unions and cooperatives.

Executing Agency

- Economic Affairs Department, UNTAET

Cost Estimate and Financing Plan

- \$250,000 equivalent financed by ADB on a grant basis from the ADB-funded TA program

Date of Commencement/Estimated Project Completion

- February 2001/July 2001

Outcome

- Consultants have finalized and advocated for (i) the draft Credit Union Law, (ii) monitoring and supervisory guidelines/standards for credit; (iii) credit union central fund policy and guidelines; (iv) a Foundation to address the ownership and control issue for the Microfinance Bank; and (v) draft statutes and by-laws of the Foundation and the Microfinance Bank.

Economic Policy Forum, TA 3592-ETM

Project Rationale

- To provide a strategic vision and policy direction to the East Timorese leadership for the sound economic development of their country; and
- To build capacity and ownership among the East Timorese in the area of economic policy work.

Beneficiary

- East Timor

Project Scope

- Recruit qualified international experts with knowledge and experience in economic policy for preparing papers on forum-related topics.
- Conduct a two-day Economic Policy Forum.
- Prepare an international quality publication.

Executing Agency

- Economic Affairs Department, ETPA

Cost Estimate and Financing Plan

- \$150,000 equivalent financed by ADB on a grant basis from the ADB-funded TA program

Date of Commencement/Project Completion

- December 2000/December 2001

Outcome

- The Economic Policy Forum was held on 26-27 March 2001 in Dili.
- Papers prepared by international experts were discussed at the forum on subjects such as Currency and Monetary Arrangements for East Timor; Finance Policy for East Timor; East Timor's Economic Relations with Indonesia; Property Rights in East Timor's Reconstruction and Development; Poverty, Equity and Living Standards in East Timor; etc.
- The consultant's report containing the forum presentation, summary of discussion, discussion papers, and overview of papers is under preparation. Further work is being done to translate a summary of the paper into local languages Portuguese and Bahasa Indonesian translations will be finalized by June 2002.