

**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

- Formation of 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

- United Nations Transitional Administration in East Timor (UNTAET)

### Cost Estimates and Financing Plan

- The total cost of the TA is \$1,290,000 equivalent, comprising foreign exchange and local currency costs. ADB contribute \$990,000 and remaining cost funded by the World Bank.
- UNTAET to provide counterpart staff, support services, and office facilities.
- Support was also to be provided by Conselho Nacional da Resistencia Timorese and by local communities.

### TA Commencement Date

- February 2000

### Project Completion Date

- Completed on 30 September 2000

### Recruitment of Consultants

- Recruitment of consultants is in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants.

### Achievements

- 5 international and 2 local consultants assisted in capacity building.
- 136 local East Timorese (including women) were trained as facilitators, and trainers. District monitors assisted in TA implementation and also prepared training modules.
- Procured 2 utility vehicles and 56 motorcycles for field activities.
- Assisted in district council elections in all accessible parts of the country, and currently 4,800 council members elected at 348 villages and 50 subdistrict development councils.
- 314 out of 328 village development councils have been formed.
- Assisted in disbursement of first round of emergency grant funds to 328 villages through village development councils.
- Assisted village development councils to undertake community need surveys and helped prepare development estimates for selected village projects. As a result, it strengthened the establishment of village development councils and NGOs.
- International agencies and local UNTAET staff are increasingly turning to council members as partners in development planning at village and subdistrict levels.
- Implemented a local communications strategy, including regular news updates, radio programs, and others.
- Prepared a monitoring and evaluation framework to collect and analyze field data.

### Outcome

- The TA assisted in the preparation of the World Bank-managed, TFET funded project: The 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.

### Executing Agency

- UNTAET

### Cost Estimate and Financing Plan

- The TA is estimated to cost \$1.0 million.
- The entire cost of the TA financed by ADB on a grant basis from the ADB-funded TA program including international and local travel, communications, office equipment, supplies and contingencies.
- The TA financed all costs of East Timorese counterparts.

### Commencement Date

- March 2000

### Estimated Project Completion Date

- July 2001

### Recruitment of Consultants

- Recruitment of consultants is in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants.

### Implementation Progress Date

- Port and airport contracts have been prepared for establishment of road administration and airport authorities.
- Draft final feasibility study and transport sector plan submitted in December 2000.
- Social and environmental analysis ongoing.

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

### Project Rationale

- Build 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, secondments 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 Estimates and Financing Plan

- The TA is estimated to cost \$1 million.
- The entire cost of the TA financed by ADB on a grant basis from the ADB-funded TA program and include international and domestic consultants, resource persons, trainees, per diems, international and local travel, communications, supplies, and contingencies.

### Date of Commencement

- April 2000

### Estimated Project Completion Date

- March 2002

### Recruitment of Consultants

- Recruitment of consultants is in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants.

### Implementation Progress to Date

- A total of 12 person-months of international experts on human resource recruitment and training have been fielded to build capacity in the central government offices.
- 200 potential recruits have been selected and will be further short-listed to about 50 for public sector management training.
- 1,300 East Timorese from the 13 districts attended workshops organized by CNRT-NC to debate on the government structure.
- 47 students attended a 5-day local government training program at the Civil Service Training Academy.
- 5 senior East Timorese officials are undergoing public sector management training.

## 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

- 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 Estimates and Financial Plan

- The TA is estimated to cost \$52,900 equivalent, financed by ADB on a grant basis from the ADB-funded TA program.
- This includes international and domestic consultants, international and local travel, equipment, communications, supplies, and contingencies.

### Date of Commencement

- April 2000

### Project Completion Date

- Completed 31 August 2000

### Recruitment of Consultant

- Recruitment of consultant is in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants.

### Achievements

- 1,000 households and 50 businesses were surveyed in 6 districts.
- A poverty assessment report was prepared and submitted in June 2000, which was made the basis of another TA grant project.

## 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 setup 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 Estimates and Financing Plan

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

### TA Commencement Date

- May 2000

### Estimated Project Completion Date

- December 2001

### Recruitment of Consultants

- The consultants were selected in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants.

## Rehabilitation of the Telecommunications Sector, Phases I and II TA 3428-ETM and 3504-ETM *(cont'd.)*

### Implementation Progress to Date

- A total of 4.18 person-months of international consultants with expertise on telecommunications, tender, numbering, and information memos have been fielded to provide assistance in setting up a program for the technical repair, rehabilitation, and extension of the telecommunications system of East Timor.
- The following reports have been submitted:
  - Telecommunications Policy Paper, which incorporated and defined basic universal service, licensing policy, network development, tariff guidelines, etc. and regulatory framework guidelines;
  - draft Telecommunications Act;
  - Numbering Plan;
  - draft Tariff Plan;
  - Information Memorandum;
  - Definition of documents needed for the tender process; and
  - Formulation of tender documents.

## 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 a viable microfinance institution (MFI).
- 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 the microfinance banking system in East Timor, including specifications for a financing facility for credit unions and other microfinance intermediaries.

### Executing Agency

- UNTAET

### Cost Estimates and Financing Plan

- The TA is estimated to cost \$150,000 equivalent and the entire cost of the TA financed by ADB on a grant basis from the ADB-funded TA program.

### TA Commencement Date

- June 2000

### Project Completion Date

- Completed 31 September 2000

### Recruitment of Consultants

- Consultants have been selected in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants.

### Achievements

- A project feasibility report was prepared and submitted to ADB in August 2000. As a result, a Microfinance Development Project was prepared and is 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 standard.

### Beneficiary

- People of East Timor

### Project Scope

- Develop environmental and natural resources management capacity and include short courses for six selected East Timorese professionals on environmental management in East Timor, 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

### Cost Estimates and Financing Plan

- The TA is estimated to cost \$250,000. The entire cost of the TA will be financed by ADB on a grant basis from the ADB-funded TA program.

### TA Commencement Date

- January 2001

### Estimated Project Completion Date

- May 2002

### Procurement of Goods and Services

- Procurement of goods and services will be in accordance with ADB's guidelines.

### Implementation Progress to Date

- Consultants have been engaged and started working in the field in April 2001.

## 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, ETTA

### Cost Estimates and Financing Plan

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

### TA Commencement Date

- October 2000

### Estimated Project Completion Date

- October 2001

### Recruitment of Consultants

- International consultancy services provided by five individual consultants with expertise in macroeconomics, development economics, economic and social statistics, and poverty analysis.
- Domestic consultants with expertise in development economics, participatory poverty assessment, statistics, computer analysis of survey data, and field survey organization.
- All consultants recruited in accordance with ADB's *Guidelines on the Use of Consultants*.

## Strategies for Economic and Social Development, TA 3512-ETM

*(cont'd.)*

### Implementation Progress to Date

- The poverty assessment component is a joint assessment involving ADB, UNDP, the World Bank and ETTA. The assessment is progressing as planned. The survey at village level has been conducted and final results are to be expected in May 2001. The household survey and Poverty Partnership Agreement (PPA) are in the design stage. The household survey is scheduled to be conducted over May–July and the PPA before end-August 2001. Work on the strategy component is also progressing well.
- The study has made a profound impact on East Timorese because of their intensive involvement in the implementation of both components.
- Project monitoring is done by ADB's consultants in the field and by the ADB review missions. The East Timor Study Group whose members are East Timorese playing a major role in the monitoring process.

## 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 Estimates and Financing Plan

- The TA is estimated to cost \$150,000. The entire cost of the TA financed by ADB on a grant basis from the ADB-funded TA program and includes 4 international person-months of consulting services, international and local travel, workshop costs, communications expenses, and contingencies.

### TA Commencement Date

- October 2000

### Estimated Project Completion Date

- December 2001

### Recruitment of Consultants

- Recruitment of consultants is in accordance with ADB's *Guidelines on the Use of Consultants*.

### Capacity Building for Local Government, TA 3515-ETM *(cont'd.)*

#### Implementation Progress To Date

- International experts have been engaged to conduct workshops and a study tour. 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.
- 11 members of the Think Tank accompanied by the Research Officer of the Secretariat visited two provinces of the Philippines for a study of the local government unit of the country and its relevance to East Timor.
- The Think Tank is supported by a Secretariat.

## 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 (MFIs) 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 Estimates and Financing Plan

- The TA is estimated to cost \$250,000 equivalent and the entire cost of the TA financed by ADB on a grant basis.

### TA Commencement Date

- February 2001

### Estimated Completion Date

- July 2001

### Recruitment of Consultants

- Consultants have been selected in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants.

### Implementation Progress to Date

- Consultants have submitted to UNTAET and ADB for comments a draft comprehensive law for MFIs, a draft enabling law and supervision regime for credit unions, and a draft policy paper for microfinance banks, and have also conducted workshops and advocacy programs.

## 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 Timorese

### Project Scope

- Recruitment of 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, ETTA

### Cost Estimates and Financing Plan

- \$150,000 equivalent. The entire cost of the TA financed by ADB on a grant basis from the ADB-funded TA program.

### Commencement Date

- December 2000

### Estimated Project Completion Date

- December 2001

### Recruitment of Consultants

- The international consultant, forum and research assistant, and resource persons have been selected and engaged in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements for the engagement of domestic consultants.

### Implementation Progress to Date

- The Economic Policy Forum was held on 26-27 March 2001 in Dili.
- Papers were prepared by international experts and were discussed in 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.