

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

Timor-Leste: 2018 Committed Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
44.00	-	2.88	-	46.88

-- = nil.

Notes: Commitment is the financing approved by the ADB Board of Directors or Management for which the investment agreement has been signed by the borrower, recipient, or the investee company and ADB.

Grants and technical assistance include ADB-administered cofinancing.

Timor-Leste: Cumulative Lending, Grant, and Technical Assistance Commitments^{a, b, c}

Sector	No.	Total Amount (\$ million) ^d	% ^d
Agriculture, Natural Resources, and Rural Development	2	0.48	0.11
Education	3	13.50	3.13
Energy	3	1.63	0.38
Finance	5	2.33	0.54
Multisector	4	17.80	4.12
Public Sector Management	19	9.94	2.30
Transport	26	363.43	84.16
Water and Other Urban Infrastructure and Services	8	22.74	5.27
Total	70	431.84	100.00

^a Grants and technical assistance include ADB-administered cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Using primary sector in reporting of commitments.

^d Numbers may not sum precisely because of rounding.

ADB's country partnership strategy for Timor-Leste focuses on removing infrastructure bottlenecks and institutional constraints as well as investing in human capital.

TIMOR-LESTE

Since achieving independence in 2002, Timor-Leste has made excellent progress in state building. However, while access to essential services (particularly electricity) has improved dramatically, key human development indicators remain among the lowest in Southeast Asia and the Pacific. The country's prospects hinge on prudent and effective use of revenue from offshore petroleum production to finance investments in the physical capital, human capital, and institutions needed to develop a sustainable non-oil economy.

The Asian Development Bank (ADB) has been supporting Timor-Leste since 1999 and has committed loans and grants totaling \$386.6 million and technical assistance projects worth \$45.2 million.

Cumulative loan and grant disbursements to Timor-Leste amount to \$182.6 million. These were financed by regular and concessional ordinary capital resources, and the Asian Development Fund.

ADB-SUPPORTED PROJECTS AND PROGRAMS

ADB operations in Timor-Leste are guided by the country partnership strategy, 2016–2020. The strategy supports the second phase of the Government of Timor-Leste's Strategic Development Plan, 2011–2030 and focuses on removing infrastructure bottlenecks and institutional constraints as well as investing in human capital.

ADB support to Timor-Leste has helped rehabilitate or upgrade 126.3 kilometers of national roads, with a further 296 kilometers of district and national roads to be upgraded by 2021. Once completed, these roads will span the whole of Timor-Leste's north coast, from the border with Indonesia to the eastern tip, linking the country's north and south coasts and connecting key



coffee-producing areas to the national road network.

In water and urban services, ADB has helped upgrade water supply systems in the cities of Manatuto and Pante Makassar, bringing piped clean water to 2,581 households. The bank also helped improve the water supply for 1,800 households in Dili, and is contributing to longer-term planning to ensure the [Sustainable Development Goals](#) for water and sanitation are achieved. This includes support in preparing an overall investment road map for water supply, preparation of masterplans for system upgrades in four municipal capitals and Dili, design of institutional reforms to ensure sustainability, and support for a strategy to improve solid waste management in Dili.

In education, ADB helped upgrade facilities and equipment, and introduce mid-level skills training, in all five of Timor-Leste's accredited training centers specializing in construction and automotive trades. The bank supported the development of new curricula and the upgrading of teachers' qualifications and technical skills. About 2,385 students (25% of whom are females) received accredited construction and automotive skills training, and 25 graduates' groups, comprising 124 youths (10% female), received

support to establish small businesses that will generate employment in the auto industry. ADB is also helping the government develop its plans and policies for secondary education.

ADB is supporting key reforms to the legal frameworks for business and financial intermediation in Timor-Leste. ADB was instrumental in transforming the Microfinance Institute of Timor-Leste into the Banco Nacional de Comércio de Timor-Leste and is supporting ongoing strengthening of the commercial bank's governance and management. ADB also works directly with private businesses in Timor-Leste and approved its first nonsovereign operation in 2018, a loan and technical assistance package to help develop an inclusive value chain for coffee production by piloting innovative technologies and training smallholder farmers.

ADB has matched its portfolio growth in Timor-Leste with an increase in knowledge work. This includes support for cross-sector challenges relating to infrastructure management, fiscal reforms, and regional integration. ADB is also helping the government design and implement programs to diversify Timor-Leste's economy, and has helped prepare development plans for fisheries, commercial forestry, and the coffee industry.

NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides financial assistance to nonsovereign projects and financial intermediaries. Total commitments from ADB's own funds (in equity and direct loans) in 2018 amounted to \$3.14 billion for 32 transactions in economic and social infrastructure, the finance sector, and agribusiness. ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2018, ADB mobilized \$3.17 billion of long-term cofinancing and \$3.99 billion of cofinancing in trade finance, microfinance, and supply chain finance programs. Total outstanding balances and commitments of nonsovereign transactions funded by ADB's own resources stood at \$12.7 billion as of 31 December 2018.

COFINANCING

Cofinancing operations enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. The additional funds are provided in the form of official loans and grants, technical assistance, other concessional financing, and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans and equity,

Timor-Leste: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2009	-	1
2011	100.0	1
Total	50.0	2

Note: "Year" refers to the circulation year of the project completion report (PCR). The success rates reported are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample sizes, success rates do not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2018.

Timor-Leste: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2017–2018

	2017 (\$ million)		2018 (\$ million)	
	2017 (\$ million)	2018 (\$ million)	2017 (\$ million)	2018 (\$ million)
No. of Ongoing Loans ^a (as of 31 Dec 2018)			8	
Contract Awards ^{b,c}	51.98	1.87		
Disbursements ^b	17.55	28.47		
No. of Ongoing Grants ^a (as of 31 Dec 2018)			2	
Contract Awards ^{b,c}	0.58	0.09		
Disbursements ^{b,d}	2.64	0.28		
Actual Problem Projects (%) (as of 31 Dec 2018)			-	

- = nil.

^a Based on commitments.

^b Includes closed loans/grants that had contract awards or disbursements during the year.

^c Excludes policy-based lending/grants.

^d Includes only Asian Development Fund and other ADB special funds.

Timor-Leste: Projects Cofinanced, 1 January 2014–31 December 2018

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	2	27.12
Grants	2	27.12
Technical Assistance Grants	2	0.71

^a A project with more than one source of cofinancing is counted once.

Timor-Leste: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2017		2018		Cumulative (as of 31 Dec 2018)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	0.11	0.00	0.30	0.00	21.01	0.01
Consulting Services	0.75	0.10	0.55	0.08	8.48	0.07
Total Procurement	0.86	0.01	0.86	0.01	29.50	0.02

0.00 = less than \$50,000.

Top 5 Contractors/Suppliers from Timor-Leste Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2014–31 December 2018

Contractor/Supplier	Sector	Contract Amount (\$ million)
G&S LDA	EDU	1.58
Don Bosco Training Center	EDU	0.99
Petromor Unipessoal LDA	EDU	0.54
DIT Baucau Training Center	EDU	0.53
Shabryca Construction Unipessoal LDA	TRA	0.41
Others		4.79
Total		8.83

EDU = education, TRA = transport.

Top 5 Consultants from Timor-Leste Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2014–31 December 2018

Consultant	Sector	Contract Amount (\$ million)
Geotechnik Ltd.	TRA	0.08
CrocfaeK Unipessoal LDA	TRA	0.07
Deloitte Unipessoal LDA	EDU, TRA	0.06
Halarae Foundation	PSM	0.02
CC Business Solutions LDA	WUS	0.01
Individual Consultants		3.39
Total		3.63

EDU = education, PSM = public sector management, TRA = transport, WUS = water and other urban infrastructure and services.

guarantee cofinancing, and cofinancing for transactions under ADB's [Trade Finance Program](#) and [Supply Chain Finance Program](#).

ADB began cofinancing operations in Timor-Leste in 2007. Since then, cumulative direct value-added official cofinancing commitments for Timor-Leste have amounted to \$98.82 million for three investment projects and \$14.58 million for seven technical assistance projects.

A summary of projects with cofinancing from 1 January 2014 to 31 December 2018 is available at www.adb.org/countries/timor-leste/cofinancing.

PARTNERSHIPS

ADB has been working with the European Union, the Japan International Cooperation Agency, and the World Bank to finance the development of Timor-Leste's national road network.

ADB steers donor coordination meetings for the country's transport sector and its water and urban services sector, and meets regularly with nongovernment organizations to share information on knowledge work and project implementation.

To enhance Timor-Leste's investment climate and hone its economic policies, ADB consults with the International Finance Corporation and the World Bank on a regular basis, and is working with a range of partners to help develop the country's coffee industry.

PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects

and activities in its developing member countries and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Share of ADB's Procurement Contracts

Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$10.2 billion in 2017 and \$12.55 billion in 2018. Cumulative procurement since 1966 has been \$180.86 billion covering 215,461 contracts.

In Timor-Leste, 197 contracts worth \$21.01 million have been awarded to contractors and suppliers since 1999.

Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$746.79 million in 2017 and \$696.18 million in 2018. Cumulative procurement since 1966 has been \$12.7 billion covering 59,248 contracts.

In Timor-Leste, 117 contracts worth \$8.48 million have been awarded to consultants since 1999.

OPERATIONAL CHALLENGES

While the government can draw on petroleum revenues to finance transformative investments, its capacity to design and implement large and

complex projects is still being developed. ADB is, therefore, helping to plan and implement high-quality investments and complex reforms, strengthen governmental processes for planning and implementing projects, and make full use of national systems for public financial management.

The bank is working closely with the government to ensure that systems are in place for the ongoing operation and maintenance of new infrastructure. To help alleviate capacity constraints and ensure sustainable operations, ADB has supported the development of a legal and institutional framework for public-private partnerships in Timor-Leste. It is helping the government review such partnership options for waste management, water supply, and electricity generation.

FUTURE DIRECTIONS

The ADB program in Timor-Leste will continue to emphasize knowledge, systems, innovation, and technical expertise to accompany traditional financial support. The [country partnership strategy, 2016–2020](#) supports the government's efforts to develop a sustainable non-oil economy by improving service delivery and strengthening the business environment.

ADB's active portfolio in Timor-Leste is concentrated in road transport, but some rebalancing is expected as the government proceeds with plans to expand access to clean water and improved sanitation and rolls out reforms to increase the coverage and quality of secondary education.



ABOUT TIMOR-LESTE AND ADB

ADB Membership

Joined 2002

Shareholding and Voting Power

Number of shares held:	1,050 (0.010% of total shares)
Votes:	40,747 (0.306% of total membership, 0.471% of total regional membership)
Overall capital subscription:	\$14.60 million
Paid-in capital subscription:	\$0.74 million

Paul Dominguez is the Director and **Shahid Mahmood** is the Alternate Director representing Timor-Leste on the ADB Board of Directors.

Paolo Spantigati is the ADB Country Director for Timor-Leste. The Timor-Leste Resident Mission was opened in 2000 and provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The resident mission engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in Timor-Leste.

The Timor-Leste government agency handling ADB affairs is the Ministry of Finance.

ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 68 members, 49 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2018, lending volume was \$19.88 billion (126 projects), with technical assistance at \$241.20 million (280 projects) and grant-financed projects at \$1.42 billion (44 projects). In addition, \$14 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2014 to 31 December 2018, ADB's annual lending volume averaged \$15.99 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$583.95 million and \$184 million over the same period. As of 31 December 2018, the cumulative totals excluding cofinancing were \$275.82 billion in loans for 3,090 projects in 44 countries, \$9.38 billion in 374 grants, and \$4.52 billion in technical assistance grants, including regional technical assistance grants.

Notes:

ADB welcomed Niue as its 68th member in March 2019.

Figures are estimated by ADB unless otherwise stated. "\$" refers to United States dollars.

Data are updated as of 31 December 2018 unless otherwise indicated. Fact sheets are published annually in April.

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Useful ADB websites

Asian Development Bank
www.adb.org

Annual Report
www.adb.org/documents/series/adb-annual-reports

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

ADB Data Library
data.adb.org