

# **FINAL REPORT**

## **Decent Work Country Programme for Timor-Leste**

### **DWCP Review**

**March/ July 2014**

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LIST OF ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
ACT/EMP	Bureau for Employers' Activities
APHEDA	Australian People for Health, Education and Development Abroad
AusAID	Australian Agency for International Development
BOSS	Business Opportunities and Support Services - Project
CBT	competency-based training
CCITL	Câmara de Comércio e Indústria de Timor-Leste
CDE	Centro Desenvolvimento Empresarial
CEOP	Centro de Emprego e Orientação Profissional
CNTI	Comissão Nacional contra o Trabalho Infantil
CO	Country Office
CTA	Chief Technical Advisor
DAC	Development Assistance Committee
DNE	Direcção Nacional de Estatística
DWCP	Decent Work Country Programme
EC	European Commission
EII	employee injury insurance
EMP/ENT	Enterprises Department
ERA	Enhancing Rural Access - Project
FAO	Food and Agriculture Organization
FEFOP	Fundo de Emprego e Formação Profissional
g7+	[voluntary association of countries that are or have been affected by conflict]
IADE	Instituto de Apoio ao Desenvolvimento Empresarial
IFC	International Finance Corporation
ILC	International Labour Conference
ILO	International Labour Organization
ILS	international labor standard
INDMO	Instituto Nacional de Desenvolvimento de Mão-de-Obra
KILM	Key Indicators of the Labour Market
KSTL	Konfederasaun Sindikatu Timor Leste
LBT	labor-based technology
LDC	least developed country
LED	local economic development
LFS	labor force survey
LMI	Labour Market Information (Systems) - Project
MDG	millenium development goal
MPW	Ministry of Public Works
NES	National Employment Strategy
NGO	non-government organization
NLB	National Labour Board
NTP	National TVET Plan
ODA	official development assistance
OSH	occupational safety and health

PSC	programme support cost
ROAP	Regional Office for Asia and the Pacific
R4D	Roads for Development - Project
SEAPRI	Sekretáriu Estadu Apoiou Seitor Privadu
SEFOPE	Secretaria de Estado da Formação e Emprego
SEPFOPE	Secretaria de Estado para a Política de Formação Profissional e Emprego
SIMU	Sistema Informasaun Merkadu Tráballu
STAGE	Skills Training for Gainful Employment - Project
TA	technical assistance
TC	technical cooperation
TESP	Training and Employment Support Program
TIMWORKS	Investment Budget Execution Support for Rural Infrastructure Development and Employment Generation (TIM Works) - Project
TL	Timor-Leste
TVET	technical and vocational education and training
UN	United Nations
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
UNMIT	United Nations Integrated Mission in Timor-Leste
UNTAET	United Nations Transitional Administration in East Timor
VECCI	Victorian Employers' Chamber of Commerce and Industry
WCMS	web content management system
WISE	Women in Self Employment - Project
YEPP	Youth Employment Promotion Programme

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## 1 EXECUTIVE SUMMARY

The DWCP 2008-2013 has been drawn up in the light of the ILO Declaration on Social Justice for a Fair Globalization. That declaration adopted four strategic objectives of which the DWCP has emphasized the first one, promoting employment by creating a sustainable institutional and economic environment. This responds to the situation of Timor-Leste where generating income and employment remains one of the most important factors for achieving political stability, as a basis for any successful and sustainable development process.

Two important priorities of the DWCP 2008-2013 (enhancing youth employment and integrating employment in rural economic development) have made their lasting mark on national development strategy or evolved in unison with the same. The pursuit of these priority objectives has been institutionalized as a long-term priority of the government of Timor-Leste. The ILO also used the DWCP to translate its mandate into its contribution to the UNDAF, to the MDG and national development strategies. The DWCP expands and elaborates UNDAF outcomes for Timor-Leste.

In the DWCP, priorities and outcomes had been spelled out and indicators were agreed to measure success. The causal relationships for the DWCP outcome-related strategies had not been spelled out in detail. However, given that many activities were supported by technical cooperation projects, the respective strategies have, arguably, been laid out in project logframes.

None of the technical cooperation projects negotiated by the ILO caters to the exact formulas agreed for the outcomes and priorities in the DWCP. However, projects appear to have gone a long way in ensuring that DWCP outcomes are being addressed to the best possible extent.

Key factors of success in Timor-Leste's DWCP include the openness, interest, and eagerness of counterparts to learn and build their own nation, the approach of "embedded assistance" which places ILO experts into the beneficiary's organizational structures, the ability and eagerness of the stakeholders to seize any opportunities arising to create synergies, a highly motivated and dedicated professional team of international ILO experts, and the availability of substantial bilateral donor funding for projects in a number of areas of intervention that are of importance for the success of the DWCP.

Key constraints include the continuing weakness of Timorese institutions and the time span that institution building from scratch requires, delays in the allocation of funds previously committed by the government to the creation of specific posts, mobilizing more support for employers' and workers' organizations, emerging issues of donor coordination, and unexpected weather patterns and cost increases in the area of rural road construction.

Timor-Leste has been able to generate and mobilize significant amounts of resources to support its development processes. Its resource needs are also comparably higher because it is a new nation that cannot draw on an existing institutional structure. Nation building is only underway for a decade that, moreover, has not been without crisis.

Current technical cooperation funding levels stand at USD 20.7 million (2013). This does not include in-kind contributions made by the Timorese constituents. DWCP outcomes supported by technical cooperation projects therefore did not suffer from any serious lack of resources.

Based on the performance indicators selected, the ILO and its constituents have been quite effective in achieving DWCP outcomes. Out of a total of 7 outcomes, essentially 4-5 have been achieved.

Overall analyses of efficiency of the implementation of the DWCP are limited by the multiple priorities and outcomes the DWCP caters to. Generally, there are no major inefficiencies observable. However, with the current volume of technical cooperation projects, feasibility studies are required to ensure that efficiency levels are correctly defined before or at the start of implementation and monitored as implementation progresses. Such processes are underway for the new roads projects. Also, it will be important to ask government to increasingly assume the material cost of road construction to ensure that project funds can be used for developing capacities and introducing labor-based technology to further infrastructure sectors.

The amount and the volume of technical cooperation projects successfully negotiated and simultaneously implemented by ILO in Timor-Leste has allowed the ILO to establish an ILO Office in a country without Country Office. The responsible Country Office (Jakarta) has given considerable leeway to that office, and this management arrangement has led to positive results and synergies. It remains unclear, though, what strategy ILO is pursuing regarding the recruitment and preparation of international experts deployed in technical cooperation projects, and how to ensure that these experts receive sufficient induction and refresher training to be able to adequately represent ILO interests while operating from remote location.

The partnership between ILO and counterparts in Timor-Leste is particular because it is characterized by what is being labeled as an "embedded approach". This approach consists of placing ILO experts directly into the organizational structures of the constituents and assisting them in building their organizations, their capacities, their strategies and policies, as well as their relationships, partially from scratch. This approach is very valuable and fully appropriate to the nation-building context of Timor-Leste. It should be maintained. Early exit strategies are not recommended.

Knowledge management and communication could still be improved. It is important, however, to keep improvements simple and make them work.

Technical cooperation projects have adjusted to changing government structures during the DWCP period. They have also made use of lessons learned from project evaluation exercises.

The sustainability of the approaches in most outcome areas is anchored in their inclusion in the Strategic Development Plan, the National Employment Strategy and the legislation of the country, as well as in their structural design. Particular risks relating to sustainability remain in the TVET (needs further consolidation), rights-based national labor legislation (foundation now available, deepening needed), and institutional capacity of employers' and workers' organizations (needs deepening).

Progress of the DWCP towards outputs and outcomes was substantial. Given technical issues related to the current scale in use (cf. A.3), the review team has opted for a modified scale in order to assess the progress made. The report consciously avoids establishing numerical scores for the achievements. However, the result of this assessment is most likely better explained because the ratings are based on a specific and explicit rating grid developed during the course of the field assignment. For convenience, symbols used in European quality management assessments have been adopted to illustrate the respective ratings (cf. Chapter 6).



## 2 ACKNOWLEDGEMENTS

Any person or team unfamiliar with a specific DWCP and its particular environment and merely endowed with two weeks of time in the field as a basis for understanding what are the key patterns at work in a relatively complex transition from crisis to nation-building, for reviewing a combined set of different types of activities against aid effectiveness and other criteria, and for elaborating suggestions or for the future -- is highly dependent on support by those who are familiar with the situation.

That the review team was able to extract some amount of relevant information on the DWCP and form any opinion, therefore, is mainly due to

- the excellent organization of the field work schedule and logistics by the ILO staff in Timor-Leste, including travels to project locations in the interior of the country and the availability of ILO specialists from ROAP and the Deputy Director of CO-Jakarta in Timor-Leste for discussions during this period
- the positive attitude to sharing information and discussing the status of implementation by all ILO project teams and the ILO constituents (government, employers, workers)
- the preparation of a summary of specific outcome performance profiles and self-assessment by outcomes organized via the ILO CO-Jakarta
- the encompassing availability of project documentation for perusal
- the active participation of the ILO constituents during the stakeholder workshop where the findings were presented

The review team reiterates its highest appreciation to all concerned for the valuable support provided to this mission.

The consultant hired to facilitate the review process and to prepare the review report based on the consultations with relevant stakeholders and members of the review team furthermore would like to thank the other review team members,

Pamornrat Pringsulaka, Evaluation Officer at ILO ROAP, and

José Carlos Sequeira, independent consultant, Timor Leste

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**Christoph David Weinmann**  
**Team Leader**

### 3 OVERALL RELEVANCE OF THE DWCP TO NATIONAL DEVELOPMENT CHALLENGES AND HIGHER-LEVEL PRIORITIES

While DWCP review criteria such as effectiveness, efficiency, impact, and sustainability which are being discussed further below ask about whether we are doing things the right way, *relevance* asks about whether we are doing the right things. This is typically measured against overall policies, strategies (strategic fit), and priorities of the key stakeholders of the project. Alternatively, it could also be measured against an established need or priority from a more scientific and/ or political and/ or moral point of view.

Given that logical fit and focus are already the object of another section of the terms of reference, the present section will discuss relevance from the point of view of perceived development needs for Timor-Leste. Within the scope of this type of review, such a discussion can only be of a cursory nature and is therefore neither intended nor suggests to replace the much more detailed analyses and deliberations that are required for proper development planning.

Chapters concerning the relevance of activities of an organization to high-level priorities usually contain a substantial risk of either repeating an existing organizational sermon on the importance of a specific programme, or of reiterating a theoretical alignment with each and everything that seems to be important in the world, and not only in the world of work. After all, we increasingly understand that everything is connected in a holistic approach. And all of us want to be relevant.

In the following sections, an attempt will be made to summarize issues relating to the relevance of Timor-Leste's DWCP from a third-party point of view, and to point out where and why the DWCP has been relevant while possibly not having been perfectly aligned with each and every high-level document or policy.

Formally speaking, the DWCP translates the mandate of the ILO into its contribution towards the achievement of the MDGs, the UNDAF and national development strategies, at the country level in Timor-Leste. This section, however, is organized bottom-up, i.e. works its way from the national development challenges and strategies to the MDGs.

#### **National development challenges**

Timor-Leste is a comparably small island economy with a population almost comparable in size to countries such as Trinidad and Tobago, Bahrain, Mauritius, or Cyprus. That places it somewhere between the 4<sup>th</sup> and 5<sup>th</sup> quintile of countries ranked by size of population, not quite as small as most Pacific island countries, but in a range where internal market sizes may be sufficient to allow for the development of some competitive domestic supply.

A special feature of Timor-Leste that it shares with only a few other countries is that it forms one part of a sea island divided between two or more countries. This, as for

the other islands concerned,<sup>1</sup> is not unrelated to European colonial history which significantly affect(ed) perceptions relating the identity of the territory, particularly with its closest neighboring country, Indonesia. This particular history is at the origin of some of the painful processes the country has gone through in establishing itself as an independent nation.

Thanks to its wealth in petroleum resources, the country is ranked somewhere on the "borderline" between lower and upper middle income countries, with a per capita income comparable to Armenia, Cape Verde, or El Salvador, and higher than that of its significantly larger neighbor Indonesia. Timor-Leste also has penetrated into the group of countries that are considered to be at medium human development levels.

However, the statistics themselves belie the current reality of Timor-Leste because the additional income generated in the petroleum sector is not easily translated into broader economic and social development achievements. When comparing the size of the overall economy with other nations, Timor-Leste also still remains in the lower brackets. It is therefore important, and also part of government strategy, to pay attention to developing the non-petroleum economy.

Key development challenges which have been identified include

- an insufficient mobility of people, goods, services,<sup>2</sup> and knowledge to develop markets for products and services that are of sufficient size to allow for more diversification of the economy and increasing incomes as well as for better provision of basic services, social safety, and security to the whole population
- a level of human and social capital development that is not able to meet the needs of an emerging nation across many sectors, independent of their organization (public or private) in combination with insufficient quality and equity of education
- one of the highest population growth rates in the world combined with rather low levels of life expectancy at birth, leading to a youth bulge that needs to be properly managed in order to reap a maximum of benefit ("population dividend") and minimize the prospects for demographic crisis
- almost half of the population living below the poverty line with difficulties to make ends meet, including high rates of chronic malnutrition among children, and not yet solved issues of food security
- an essentially rural economy, home to three-quarters of the population and operating, to a large extent, at subsistence level
- a labor force characterized by a large share of vulnerable employment

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<sup>1</sup> New Guinea (Indonesia and Papua New Guinea), Borneo (Indonesia, Malaysia, and Brunei), Ireland (Ireland and United Kingdom), Hispaniola (Dominican Republic and Haiti), Tierra del Fuego, and Cyprus are the other sea islands larger than 1,000 km<sup>2</sup> that share this feature.

<sup>2</sup> A very large share of mobility issues may be addressed by developing physical infrastructure (which is in a very poor state in Timor-Leste). Nevertheless, "problems" or "challenges" are, technically speaking, not the equivalent of the "absence of a solution", and the development challenge here therefore is not a mere "lack of infrastructure".

- insufficient access to clean drinking water and sanitation, resulting in sickness, ill health, poor child development, comparably high child mortality rates, as well as reducing the current potential for accommodating tourists
- insufficient access to electricity across the whole country, for both producers and consumers, including knock-down effects on production, communication, and studying (learning)
- insufficient links to the outside world to the detriment of trade and technology, and to the active participation in global networks
- language barriers for developing human capital rooted in a limited spread of the two official and two working languages in combination with a need to forge a national identity that distinguishes itself from the most recent occupying power

The DWCP 2008-2013 has been contributing to addressing some of these challenges in the following ways:

- It has agreed one priority and three outcomes which directly address the challenge the country's youth bulge poses for development. All the agreed outcomes in this field are concerned with issues that are of a fundamental nature, such as developing the underlying policies, establishing the first mechanisms for youth to obtain information on job opportunities and for employers to systematically search potential young employees, and by developing the basis for a skills training system that is linked to skills demand.
- Another agreed priority addresses important issues in rural development: mobility and diversifying opportunities to generate income. One outcome focuses on enhancing the impact of rural infrastructure investments and maintenance on local employment and income generation in the domain of rural roads. Another outcome focuses on developing and spreading access to services that can boost micro and small enterprises in rural areas.
- The third priority is concerned with laying the institutional groundwork for an emerging labor market that is expected to increasingly replace subsistence activities while the country pursues a strategy of shifting a large share of employment to the private and public sectors over the course of the coming years. Labor market governance is also likely to play a role when it comes to attracting foreign investors to a new nation who will usually prefer to invest in an environment where employment issues are governed by clear rules and reliable mechanisms.

From this perspective, it appears that constituents have actually maximized the contributions a DWCP can make to the development of the country, and the DWCP 2008-2013 can be considered as highly relevant to the development of Timor-Leste. The DWCP does not merely cover a niche of ILO issues that accidentally feed into more general development processes, but it has been conceived to achieve a high level of synergy with national processes that address the key development issues of the country.

At the same time, actions have not been scattered, but they have been well focused in selected areas where the DWCP can have a lasting impact, and therefore make a real difference.

- By focusing on laying the foundations for a national TVET system, ILO will leave a lasting impact in the country. With the youth bulge pushing young persons into the labor market, a well developed TVET system which systematically transfers labor market relevant skills to young people is important to build the productivity of the Timorese economy and to reach the critical mass of skilled persons that may provide investors with assurances of a skilled workforce. Moreover, it is important to occupy young people during their transition from learning to generating income in order to avoid demographic crises, including deferring their age of marriage. Other, less comprehensive, approaches are likely to be insufficient to meet the demand for vocational training in terms of quality.<sup>3</sup>
- Building and rehabilitating the country's road infrastructure will take several decades, and maintenance of the infrastructure will be a continuous task. By focusing on introducing labor-based construction processes in the rural roads sector, ILO is able both to contribute to improving mobility for people, goods and services (with expected knock-on effects for income and employment generation as well as access to education and health) and at the same time enable the government to allocate larger shares of funds to local communities and small private sector contractors on a continuous basis.
- While not able to immediately transform a labor force characterized by a large share of vulnerable employment, by building the capacity of the employers' and workers' organizations and developing the rights-based national labor legislation the groundwork is being laid for more decent work, for more formal labor relations, for modern industries and services, including foreign investments over the next decades.

## National policies and priorities

When it comes to government policy, that presumably is crafted to deal with the development challenges the nation faces, a DWCP can and should be at least of a twofold nature.

- On the one hand, the DWCP promotes the development of specific approaches, policies, or processes that are at heart of the ILO's agenda within a national policy process that directly involves all national ILO constituents (government, employers, workers). In other words, alignment with any government policy, as formulated or by default, should not constitute an objective of a DWCP *per se*. It should only occur to the extent that the government policy is aligned with the ILO's principles and agreed with all constituents, and not only one single constituent (government).

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<sup>3</sup> With the petroleum resources available to the country, there is also no reason to restrict vocational training on the grounds of funding as long as the cost factor is kept in mind and regularly checked.

- On the other hand, the issues that are at the heart of the ILO and are being addressed by ways of the DWCP only constitute one part of the issues addressed by any national government policy, and national ILO constituents need to lobby for their issues to top the government agenda or at least receive the attention they deserve. This can go as far as lobbying for a higher status of labor-related issues in government work, e.g. by ensuring regular direct participation in cabinet level meetings of the government entities concerned. Again, complete alignment with government policy need therefore not constitute an objective for DWCP.

Timor-Leste has seen some recent shifts in formats of development planning. In particular, the establishment of national priorities on an annual basis seems to have created some uncertainties as to whether such priorities are liable to shifts on an annual basis and how external agencies as development partners should be able to properly align their activities when they need to operate on the basis of multiannual country strategies.

On the whole, it seems that the switching to national priorities planning mode did not have any specific effect on the implementation of the DWCP. Government action was not subjected to any changes with regard to the joint technical cooperation work even if national priorities somewhat changed over the years.

- The latest document that calls for alignment is Timor-Leste's visionary Strategic Development Plan 2011-2030 that has been published half way thru the DWCP period.<sup>4</sup>

The chapter of the plan relating to social capital provides ample evidence of the alignment of the current DWCP outcomes relating to youth with Timor-Leste's current national development strategies. It furthermore sets the stage for coming DWCPs by underlining the need to continuously and significantly invest in developing human resources in the vocational training sector during the current decade, and commits the government to extending the system and implementing new training opportunities across the whole country. YEPP and TESP projects cater to these objectives.

The chapter of the plan relating to infrastructure explicitly points out that the rehabilitation of 3,025 km of rural roads will be undertaken by locally based contractors using labor-based technology, which should generate significant rural and regional employment, thereby fully confirming the suitability of the approach agreed in the DWCP and mainly implemented with the support of the TIMWORK, ERA and R4D projects.

In its chapter on economic development, the strategic development plan explicitly refers to the work implemented with IADE under the current DWCP and plans to extend it to all districts, thereby confirming the successfulness of the approach implemented under the DWCP with the support of the BOSS project and streamlining it across the country.

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<sup>4</sup> Ramos Horta has gone as far as to emphasize that the plan "will support our consolidation as a vibrant democracy and help us to become a development model for fragile States".

This constitutes clear evidence of the influencing nature of the DWCP 2008-2013 and/ or the work performed within its framework on national development concepts. Two important priorities of the DWCP 2008-2013 (enhancing youth employment and integrating employment in rural economic development) have thus made their lasting mark on national development strategy or evolved in unison. The pursuit of these priority objectives has thus been institutionalized as a long-term priority of the government of Timor-Leste or by ways of establishing key principles guiding the pursuit of these objectives.

When it comes to the third priority which has benefited from substantially less funding than the other two, the adoption of several core ILO conventions by the government of Timor-Leste also is evidence of the DWCP's success in shaping national policy.<sup>5</sup> It is also one area which illustrates that a judgement of the relevance of a DWCP cannot only be treated in terms of comparison to an existing "group think" (consensus of constituents) at a given point in time or in terms of political alignment, but requires to be held against objective needs even if they are not yet apparent to ILO constituents in the country concerned.

The same is to be said about the capacity building of employers' and workers' organizations to participate in social and labor processes. At the outset of the DWCP, the employers' organization was not even established and neither was there a national policy to establish such an organization in the context of which the DWCP could have been classified as relevant. Nor would the creation of such an organization by government been the appropriate mechanism to establish it because it is essentially a "self-help" organization that should emerge independently based on the shared interests of employers. The fact that such an organization has been established in 2010 as an independent (though not yet self-supported) entity during the course of the DWCP 2008-2013 therefore also testifies to the relevance of the respective DWCP outcome even if the outcome may not have been achieved to the fullest extent.

### **United Nations Development Assistance Framework (UNDAF) and Millenium Development Goals (MDG)**

When it comes to the framework under which the ILO is operating as a UN specialized agency, the UNDAF is the key strategic planning tool. UNDAFs are meant to describe the collective response of the UNCT to the priorities in the national development framework. Programme and project activities and budget contributions of specialized agencies in the UN system, such as the ILO, should be linked, as far as possible, to the UNDAF results matrix.

In drafting the UNDAF, there are three elements considered essential for UNCT performance: national ownership, core comparative advantage (of UNCT), and maximum effectiveness and accountability. UNDAFs also need to adhere to a set of five basic principles: namely a human rights-based approach, gender equality, environmental sustainability, results-based management, and capacity development.

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<sup>5</sup> Timor-Leste has ratified core conventions C29, C87, C98, and C182, and is in the process of ratifying C100 and C111.

The UNDAF for Timor-Leste that is relevant to the DWCP 2008-2013 is the UNDAF 2009-2013. That specific UNDAF has been drawn up very much in the context of a post-crisis situation which saw large numbers of internally displaced persons. The UNDAF 2009-2013, understandably, therefore focuses on outcomes such as (1) democratization and social cohesion, (2) poverty reduction and sustainable livelihoods, and (3) basic social services. "Consolidating peace and stability represents the cornerstone for the UNDAF."

The ILO, in line with its absolute advantage and its mandate, has contributed most significantly to the second of these outcomes:

*By 2013, vulnerable groups experience a significant improvement in sustainable livelihoods, poverty reduction and disaster risk management within an overarching crisis prevention and recovery context.*

- The national priorities to be addressed by this outcome include the improvement of living conditions of the Timorese population, with a focus on environmental conservation, disaster risk reduction and management, balanced regional development, and vulnerable groups including internally displaced persons, youth and women, in a post-conflict context.
- The MDGs this outcome should contribute to are MDGs 1 (eradicate extreme poverty and hunger), 3 (promote gender equality and empower women), and 7 (ensure environmental sustainability). MDG 1 is the MDG that has been assigned an employment-related target in 2008 (achieve full and productive employment and decent work for all, including women and young people) following the recognition that decent and productive work for all is central to addressing poverty and hunger.
- The ILO has in particular committed to be the lead agency for a range of activities that are meant to deliver the UNDAF outcome (component) 2.3: Youth have better employability and access to sustainable gainful employment. This includes a whole set of results mainly implemented with the support of the technical cooperation projects YEPP and TESP:
  - 2.3.1 The Secretariat of State for Vocational Training and Employment has enhanced capacity for formulation of youth employment policies and strategies.
  - 2.3.2 The Government has enhanced capacity to strengthen its technical vocational education and training system and to define competency standards in priority productive sectors.
  - 2.3.3 Employment Centers and Youth Career Centers have capacities to provide youth with guidance, counselling services and access to existing employment opportunities in public and private sectors.
  - 2.3.4 Youth have increased employment opportunities created through vocational training, business development services, training programmes and access to financial resources.



- 2.3.5 Youth undergoing employment promotion programmes have access to literacy, numeracy and life skills-based education.
- 2.3.6 Government has formulated a framework on overseas employment for safe migration and has enhanced capacity to ensure its effectiveness.
- In the UNDAF, the ILO has furthermore committed to be the lead agency for one result that is meant to contribute to the delivery of UNDAF outcome (component) 2.1: Vulnerable groups, particularly IDPs, disaster-prone communities, women and youth, benefit from opportunities for sustainable livelihoods.
  - 2.1.6 Targeted communities have increased access to and capacities to engage in new sustainable livelihood initiatives.

Under the same outcome component heading, the ILO has also committed to participate in delivering further results

  - 2.1.1 Government and other rural and peri-urban institutions have increased capacities for planning, formulating, and implementing livelihoods initiatives, with a focus on agriculture.
  - 2.1.4 Rural communities have increased access to markets and basic market-related technical capacities.
  - 2.1.7 Vulnerable groups benefit from socio-economic development opportunities to restore livelihoods lost due to conflict, natural disaster and food insecurity.
- Finally, ILO has committed to contribute to the delivery of one result in the area of democratization: 1.1.10 Government has increased capacity to implement and report on international human rights and refugee conventions.

When these outcomes and results are held against the outcomes and outputs foreseen under the DWCP, it is quite apparent that the DWCP (drawn up before the UNDAF) constitutes a very independent process from that of the UNDAF.<sup>6</sup>

- The UNDAF effectively only includes one DWCP priority (enhancing youth employment). This priority also is the only one that bears a direct reference to the UNDAF in the DWCP.
- The UNDAF describes a similar thrust of action as a second DWCP priority (integrating employment into rural economic development) where the more general target group is identical: vulnerable groups in rural areas.

With half of the population living below the poverty line, that target group is sufficiently large that it cannot be missed, and sufficiently dispersed that any unwanted overlaps between different UN agencies can be avoided.

<sup>6</sup> There is no value judgement implied. The terms of reference for this assignment ask about the relationship and fit between UNDAF and DWCP.

Does this mean the DWCP is not sufficiently relevant to the UNDAF? Or, if the UNDAF captures national ownership as an essential element of performance, is the DWCP not sufficiently owned by the national constituents of the ILO and therefore not relevant to national development? Or could the DWCP have been more relevant had it selected other areas of intervention, possibly based on a principle of comparative advantage?

The wording selected in the DWCP is sufficiently open to accommodate for all of these possibilities. The ILO uses the DWCP to "translate" its mandate into its contribution to the UNDAF as well as to the MDG and the national development strategies. The DWCP "expands and elaborates UNDAF outcomes" for Timor-Leste.

Arguably, this could represent silo-thinking within the One-UN approach.<sup>7</sup> While thinking in silos can be efficient to the extent that overlaps with other UN agencies are not very likely to occur (and the benefits of specialization can be better reaped), it is unlikely to automatically provide for the desired realization of comparative advantages.<sup>8</sup> Moreover, it would remain unclear whether the full potential for realizing synergies within the UNCT has been explored.<sup>9</sup>

When discussing relevance from this angle, it is important to remind ourselves that ILO's setup is fundamentally different from other UN agencies due to its tripartite structure. The DWCP is an independent tool of the ILO and its constituents (ILO as the "organization", not as an "office" or agency) and, from that perspective, actually cannot require a direct agency link into the UNDAF. Even if visions on MDG or higher level development objectives are shared, the constituents of the ILO have no obligation to pursue exactly the same aspirations, objectives or strategies as they

<sup>7</sup> While Timor-Leste may not be a pilot country for the One-UN approach, the ideal of the approach remains valid for all UN organizations, similar to whole-of-government approach for donors in the field of bilateral ODA.

<sup>8</sup> The terms of reference for this assignment ask about assessing *comparative advantage*. This is a technical term originating in David Ricardo's theory of trade and has been promoted by international financial institutions for several decades. It has found its way into many discussions, sometimes being adopted without appropriate technical background discussion. Therefore, the technical remarks below may be in order.

Strictly speaking, it is unclear whether any specialization based on comparative advantage is desirable and/ or achievable when UN agencies by virtue of their mandates are essentially specializing according to the principle of absolute advantage. Effectively, comparative advantage, in the technical sense of the term, should only be exploited when two or more agencies actually possess of sufficient ability to deliver the same outcomes and it is desirable to maximize the combined outcomes delivered, independent of the specific amounts delivered for each outcome (i.e. where all outcomes can be absorbed and will not remain unused, wasted). It also presupposes that a maximum outcome is of a higher value to the country context than the development or experimentation with a variety of approaches. (Let us not forget that development work often is of an exploratory and/ or capacity building nature, and is not intended to replace the country's own processes and outcomes.)

Areas where questions of specialization according to comparative advantage in a specific country context are conceivable would be emergency aid (where maximum delivery of outcome in a short period by multiple agencies may indeed be desirable) or more "popular" interventions as small enterprise or private sector development which could usually be delivered with comparable levels of quality by ILO, UNIDO, FAO, World Bank, in addition to other bilateral and multilateral donors and NGOs. On the other hand, it is to be expected that ILO will, *inter alia*, perform better on labor rights or labor inspection than other UN agencies and that no other agency can deliver at the same level. Similarly, FAO should perform better in supporting food producers.

In UNDAFs, comparative advantages are assumed to be based on the UNCT's accountability to all UN member states and relationships of trust derived from long-standing presence at country level. They are more generally assumed to lie with the promotion and support of international standards, particularly MDGs and international human rights instruments; with convening power to mobilize and facilitate interaction with a range of national and international partners; with impartial support to capacity development at all levels; with objective monitoring and evaluation of the national development framework; and with impartial policy advice, based on international experience, technical expertise and good practices. Given this is a rather long list, one is left to wonder whether in this model there would be any comparative advantage left for other development partners, other than financing.

<sup>9</sup> The review team was not able to assess this during the time spent in the field.

prevail in the UN system. It may be nice to establish such a link, and to maximize congruence between the DWCP, the UNDAF, and the MDGs, but this should by no means be considered as mandatory.

The impression conveyed by the ILO and its constituents during the period of the review mission was that the DWCP 2008-2013 is real and not merely paperwork. It reflects the priorities agreed between the tripartite constituents (not only with the government) and therefore by definition constitutes a programme that is of higher political and organizational relevance than an UNDAF can ever be.

The UNDAF as a tool can only benefit from the high level of relevance accorded to the DWCP by the constituents. It effectively provides a backing that a government-only ratification cannot provide, even if government has *consulted* with all stakeholders, including ILO constituents. Feeding tripartite *agreements* into the UNDAF can only enhance the quality of its implementation, including the contribution eventually made to achieving the MDGs.

## Priorities of the ILO

Priorities of the ILO are set forth in different documents.

- There is a strategic policy framework which guides the ILO as a medium-term planning document. It expresses the strategic orientation including what the ILO aims to achieve and how. It is similar in timing to the length of DWCPs that also are medium-term planning documents for a specific country.
- There are meetings that establish priorities. These meetings can be of a special or a regular nature (Governing Body, ILC), and they can occur at global or regional levels. They can reinforce strategic priorities or agree new priorities. They also redefine or refine priorities, or break them down in different contexts (e.g. ILO Declaration on Social Justice for a Fair Globalization, Global Jobs Pact).
- There is a programme and budget that constitutes a short-term, biennial planning document. This document is expected to be linked to the strategic policy framework, to priorities identified by constituents through DWCP and decent work agendas or agendas, to decisions of the ILO's Governing Body and the ILC, and to various other tripartite forums such as regional meetings and meetings of experts. Much of the reporting relating to ILO priorities is organized in the biennial format.

The DWCP 2008-2013 has been drawn up in the light of the ILO Declaration on Social Justice for a Fair Globalization and makes explicit reference to it. That declaration adopted four strategic objectives which are considered inseparable, interrelated and mutually supportive.

- promoting employment by creating a sustainable institutional and economic environment
- developing and enhancing measures of social protection which are sustainable and adapted to national circumstances
- promoting social dialogue and tripartism

- respecting, promoting and realizing the fundamental principles and rights at work

Moreover, the ILC agreed that failure to promote any one of them would harm progress towards the others. Gender equality and non-discrimination must be considered to be cross-cutting issues in the abovementioned strategic objectives.

Held against the declaration, the DWCP 2008-2013 consciously emphasizes the first of these objectives (for youth and in rural areas) which includes creating the conditions for individuals to be able to develop and update the necessary capacities and skills they need to enable them to be productively occupied for their personal fulfillment and the common well-being; and for all enterprises, public or private, to be sustainable to enable growth and the generation of greater employment and income opportunities and prospects for all.<sup>10</sup> The other three strategic objectives have not received quite as much attention and funding even though all strategic objectives are considered to be inseparable, interrelated and mutually supportive.

However, significant qualitative progress has also been made on promoting social dialogue and tripartism (third strategic objective) during the course of the DWCP and Timor-Leste has moved to a path towards respecting, promoting and realizing the fundamental principles and rights at work (fourth strategic objective) by adopting several core ILO conventions. Moreover, gender equality was explicitly considered to be a cross-cutting issue among the DWCP priorities.

The emphasis placed on the first strategic objective is very much explained by the situation of Timor-Leste where generating income and employment was and remains one of the most important factors for achieving political stability, as a basis for any successful and sustainable development process. (First things first.) This emphasis still valid and justifiable even if the situation has substantially improved.<sup>11</sup> It would therefore not be appropriate to characterize the DWCP as only partially relevant to achieving strategic ILO objectives. Additionally, extra-budgetary support could be mobilized with more ease in support of this strategic objective.<sup>12</sup>

In drawing up the next DWCP, ILO constituents should certainly consider to which extent the weights attributed to the different strategic objectives need to be changed or not, and in which way the mutually supportive character of the four strategic objectives can be made better use of. This could be supported by tools such as cross-impact analysis, including the identification of the respective feedback loops<sup>13</sup> under the conditions prevailing in Timor-Leste.

<sup>10</sup> Cf. the scope and principles of the ILO Declaration on Social Justice for a Fair Globalization.

<sup>11</sup> Cf. Summary Report - Fragility Assessment in Timor-Leste, produced by Fragility Assessment Team at Ministry of Finance, February 2013. See also the key messages in the Summary Report on the Consultation on Post 2015-MDG in Timor-Leste that took place in the end of 2012.

<sup>12</sup> This possibly reflects a more general and increasing trend by donors in technical cooperation to support employment-related projects, i.e. not only related to Timor-Leste. Cf. GB.319/POL/7 2013: 6.

<sup>13</sup> A feedback loop is one important pattern of interaction between system elements. It is being analyzed in practical systems analysis in order to better understand the behavior of a system. Other than in the traditional mechanic (cause-effect) analysis, prevalent in our common planning methods, there is not only one direction of influence (or causality), but a "downstream" factor can also influence an "upstream" factor.

#### 4 DWCP FORMULATION PROCESS, FOCUS, COHERENCE, AND LOGICAL FIT

Assessing the DWCP formulation process during a review that takes place upon completion of the DWCP, i.e. five years later, is essentially a task of retrospective reconstruction, if not forensic in nature. It only provides added value if obvious discrepancies in this process have had impact upon the suitability or the implementation of the DWCP. No such discrepancies have been observed by or mentioned vis-à-vis the review team during the course of this review by any of the constituents or stakeholders affected by the DWCP. Therefore, it is unlikely that the formulation process was fraught with significant technical and/ or organizational mishaps.

Asking for an assessment of the focus, coherence and the logical fit of outcomes, outputs, and strategies of the DWCP, first of all, presupposes that a DWCP should follow a logical sequence. While logically sequenced processes may seem appropriate if and where specific DWCP processes are of a mechanical nature, it is open to question to which extent the different development processes of a specific DWCP actually are or need to be of such a nature.<sup>14</sup>

Generally speaking, DWCPs would actually lend themselves to systemic approaches because developing certain decent work related outcome areas may potentially reinforce other decent work related outcome areas, and because ILO's tripartite approach by definition includes the proper consideration of the interests and behaviors of the different constituents, and seeks to establish productive (not merely formal, but goal-oriented and effective) relationships between them. It is not without reason that the Declaration on Social Justice for a Fair Globalization highlights the *inseparable, interrelated and mutually supportive* character of the priorities established.

Assessing the focus, coherence and the logical fit of outcomes, outputs, and strategies of the DWCP, furthermore, is limited by the degree to which a logical strategy that effectively links outputs and outcomes (by means of a causal relationship) has actually been spelled out.

- In the DWCP 2008-2013 only two levels have been spelled out: DWCP priorities and respective DWCP outcomes. It is unclear whether the priorities are meant to be "superior objectives" to the outcomes or simply figure as "headings" and thus circumscribe "areas of activity".
- Strategies have only been formulated at or up to DWCP outcome level. From this perspective, the (causal) link to the DWCP priorities actually is missing or needs to be inferred.

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<sup>14</sup> Many development processes are seeking to stimulate systemic changes. Developing strategies for systemic changes, however, usually require an application of tools of systems analysis. Such systemic analyses acknowledge that there is a possibility of feedback (e.g. several runs through the same causal relationships, or even reverse effects along the same causal chain), and thereby go beyond the cause-effect sequences we can more easily specify using the logframe tool.

- The outcome-related strategies themselves mainly focus on delivering technical assistance to the government units in charge for the DWCP outcomes, i.e. mainly SEPFOPE, but also the Ministry of Economy and Development respectively IADE as its offshoot, drawing on technical cooperation projects that are able to channel ILO expertise to the counterparts. By contrast, increasing institutional capacity of employers' and workers' organizations to participate effectively in social and labor policy processes was to draw on ILO regular budget support.<sup>15</sup>
- The precise causal (means-ends) relationships for the DWCP outcome-related strategies have not been spelled out in any detail. However, given that many activities were supported by technical cooperation projects, the respective strategies have, arguably, been laid out in project logframes (of varying quality) that are based on the logframe structures applied by the donors who have generously supported this work.
- Where technical cooperation projects support the implementation of a DWCP, their logframes should, ideally, be linked to the outcomes agreed for the DWCP. DWCP outcomes could either constitute project immediate objectives, project development objectives, in ILO logframe parlance, or be of a higher order. In the latter case, the attribution gap between the project's outcome and the DWCP outcome(s) would be larger than in the former.
- Given that technical cooperation projects are financed by third parties (donors) which have their own country strategies and fiduciary responsibilities, it is likely that a tight alignment of technical cooperation projects' logframes with the DWCP is difficult to achieve in practice. Alignment with the respective donor's priorities is, in fact, a precondition for the financing even if that may not transpire from the official documentation. To the extent that national priorities reflect the priorities contained in the DWCP, it is conceivable that donors who are aligning their assistance with national priorities<sup>16</sup> are automatically willing and able to support DWCP priorities as long as the DWCP is aligned with these national priorities.
- A comparison of the technical cooperation project logframes with the DWCP reveals that, technically speaking,
  - 3 projects are generally aligned with the DWCP at the level of the development objective (TESP; STAGE, TIMWORK)
  - 3 projects are generally aligned with the DWCP at the level of the immediate objectives (BOSS, R4D, YEPP)
  - 1 project is generally aligned with the DWCP outcomes as a by-product at the output level if income generation is accepted as a substitute for employment generation (ERA)
  - 1 DWCP outcome appears to be addressed at project output level (LMI)

<sup>15</sup> Cf. *TL DWCP*: 19. (No value judgement implied.)

<sup>16</sup> Paris Declaration, pars.15, 16. Donors base their overall support on partner countries' national development strategies, institutions and procedures. They align with the national development strategies.

- 2 DWCP outcomes are addressed *passim* (rights-based national labor legislation; institutional capacity of employers' and workers' organizations)
- None of the technical cooperation projects caters to the exact formulas agreed for the outcomes and priorities in the DWCP. However, projects appear to have gone a long way in ensuring that DWCP outcomes are being addressed to the best possible extent during their implementation.
- Sufficiently "SMART" performance indicators and realistic target values had been agreed for all outcomes. The performance indicators have been monitored and it thus was possible for the review team to use them as a basis for discussing achievements with the ILO team and the constituents, and as a basis for the desired rating exercise.<sup>17</sup>

Generally speaking, there nevertheless seems to have been sufficient focus, coherence, and logical fit in order to implement the DWCP without major hitches. While proponents of results-based management and logical fit (including the consultant writing up the review) will find a number of deficiencies, the likelihood that substantial additional investment in improving logical fit and formulas agreed with different stakeholders will translate into higher levels of relevance, effectiveness, efficiency, or sustainability of results achieved under the DWCP is relatively low. It was much more important for the successful implementation of the DWCP to have different parties agree to a joint DWCP document, and, with the DWCP priorities established, to reach agreement on additional technical cooperation projects that would support the DWCP. These project documents had to respect the requirements of the donors who have their own formats to work with, both in management as in budgeting.

From this perspective, it may even be unreasonable to expect a perfectly coherent DWCP, where logical fit is established from the MDGs across the UNDAF outcomes across the national policies, to the DWCP priority and outcome levels, and where technical cooperation projects can be conveniently plugged into interfaces left open in the respective DWCP logframe. Too many levels, too many stakeholders. Too high a risk of alienating ILO constituents by tying them into the complexities of management and budgeting within a UN specialized agency framework. In other words, the quality of the DWCP should not be judged on the basis of UNDAF fit.

That being said, as ILO constituents in Timor-Leste increasingly get acquainted with ILO work style and cooperation patterns, with programming cycles and results-based management terminologies and principles, future DWCPs may provide more opportunities for establishing better logical fit, from top to bottom and bottom to top. Note that in some organizations, such planning processes are actually facilitated by

<sup>17</sup> It should not be forgotten that indicators, often enough, are not able to explain or prove the achievement of an outcome. In complex development processes, they remain indicators that only indicate that an outcome may have been achieved. They are instrumental insofar as indicator discussions between constituents and other stakeholders usually lead to a better clarification and deeper understanding of sometimes more vaguely described outcomes. Their advantage, ease of measurement, however, is also their limitation. Whenever an outcome is not easily measured, it is therefore important for users not to substitute the outcome with the performance indicators selected, as sometimes happens in practice, but to keep the outcome clearly in mind.

professional facilitators who keep an eye on the method while the stakeholders develop the contents.



## 5 DWCP IMPLEMENTATION incl. ADAPTATION/ RESPONSE TO CHANGE

The terms of reference for this review include long lists of different elements or criteria that are to be considered. Some of these lists overlap in content while the structure of the report is not prescribed.

For ease of flow, this chapter of the report attempts to group the criteria for review of the implementation of the DWCP in a similar fashion as the criteria used to measure progress towards outputs and outcomes of the DWCP in the following chapter.

Key success factors and constraints are placed in the beginning of the chapter because they essentially sum up the most important aspects of implementation of the DWCP 2008-2013 in Timor-Leste.

### **5.1 Key success factors and constraints**

Key factors of success in Timor-Leste's DWCP 2008-2013 include

- the openness, interest, and eagerness of counterparts to learn and build their own nation, their own future; and their active taking of ownership of tasks developed using skills that have been acquired [internal factor]
- the approach of "embedded assistance" which places ILO experts into the beneficiary's organizational structures in order to guide counterparts on all relevant aspects of implementation [internal factor], thus
  - enabling direct contact and exchange, permanent technical dialog on a daily basis with counterparts
  - providing international experts with better insight into and proper feeling for the work situation of their counterparts
  - creating opportunities for on-the-job training and/ or feedback as well as for the emulation of professional working styles and routines for counterpart staff
  - signaling availability for *ad hoc* assistance and advice in case of urgent business requirements
- the ability and eagerness of the stakeholders to seize any opportunities arising to create synergies between different projects implemented respectively outcomes of the DWCP [internal factor]
- a highly motivated and dedicated professional team of international ILO experts that is working, often enough around the clock, to meet all expectations and needs of the DWCP and their specific project interventions<sup>18</sup> and possesses of the listening and communication skills that are at the heart of the implementation of any demand-driven advisory exercise [internal factor]

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<sup>18</sup> This may be as much a success factor as it may constitute a risk because the success of a DWCP should not need to depend on individual motivation and availabilities. The amount of individual effort currently invested (including "invested hours after work") is unlikely to be sustainable.

- the availability of substantial bilateral donor funding for projects in a number of areas of intervention that are of importance for the success of the DWCP [external factor]
- the attractiveness of the "embedded" approach and the expertise and dedication offered by ILO for donors, and their respective willingness to negotiate respectively contribute to technical cooperation projects with the ILO [external factor]

Key constraints encountered in Timor-Leste's DWCP include

- despite significant improvements, the not unexpected yet continuing weakness of Timorese institutions and their respective partial ineffectiveness<sup>19</sup> [internal factor]
- delays in the allocation of funds previously committed by the government to the creation of specific posts [internal factor],
- insufficient efforts on behalf of ILO to make more of earned programme support cost,<sup>20</sup> thus foregoing an opportunity to make more of a strong country-specific technical cooperation portfolio in order to contribute to a nation building process (to the detriment of developing a stronger bundle of activities to build and expand the capacities of emerging employers' and workers' structures) [internal factor]
- the creation of a Public Service Commission in Timor-Leste which, while important in the overall context,<sup>21</sup> effectively restricts the previously agreed direct transfer of trained staff to the respective Timorese institutions [external factor]
- emerging issues of donor coordination (including the competition for scarce Timorese human resources and increasing risks of duplication) [external factor]
- unexpected weather patterns and cost increases in the area of rural road construction [external factor]

## 5.2 Resources (resource adequacy)

When it comes to resources, the DWCP in Timor-Leste seems to be blessed in the wider context. Compared to the size of its population, Timor-Leste has been able to mobilize a significant amount of resources to assist it with "jump-starting" its development processes, including the implementation of its DWCP. That being said, its needs for resources are also comparably higher because it is a new nation that

<sup>19</sup> This is not unexpected given the situation of Timor-Leste at independence, the time lost due to the 2006 crisis, and the time span that institution building (here: from scratch) usually requires in multi-linguistic environments and where the general level of skills is not very high.

<sup>20</sup> With the total amount of USD 21 million available from technical cooperation projects (2013), it should have been possible, at management level, to exceptionally even "bend" pre-defined overhead distribution patterns in order to make available more resources for such areas where donor funding is less abundant.

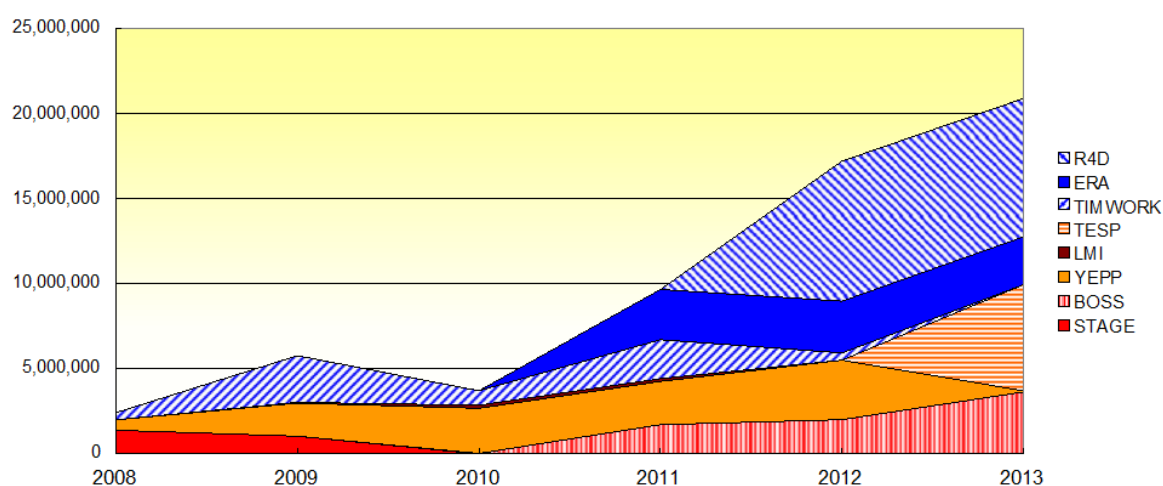
<sup>21</sup> The Public Service Commission, created under the Vth Constitutional Government, is important to mitigate against emerging tendencies of collusion and corruption that also affect the recruitment of civil servants. This has imposed a hurdle to an automatic transfer of staff trained by ILO to government posts at SEPFOPE. Given the qualification of the staff trained, it should not be difficult to take that hurdle in due course as long as job descriptions properly spell out the required qualifications.

needs to create and build itself and cannot draw on an existing institutional structure. Administrative structures that have previously existed were of colonial (Portugal) or occupational (Indonesia), and most recently of a transitory (UNTAET) nature. Nation building proper therefore is only underway for a decade that, moreover, has not been without crisis.

Current technical cooperation funding levels stand at USD 20.7 million (2013). This does not include contributions in kind (staff time, office space, etc.) made by the Timorese ILO constituents. These resources have been rather adequate for achieving DWCP outcomes, and DWCP outcomes supported by technical cooperation projects did not suffer from any serious lack of resources (while acknowledging for the very strong personal input given by ILO experts).

### G.1

**Evolution of the technical cooperation portfolio in Timor-Leste during the DWCP 2008-2013 period (in USD)**



Source: Calculations based on approved TC budgets and on realized expenditures for YEPP.

The graph above generally illustrates the evolution of the technical cooperation project portfolio of ILO in Timor-Leste during the period of the DWCP 2008-2013. The figures have been assembled from approved TC budgets and expenditure statements for YEPP. The budget for WISE is not included, and it is therefore unclear, for example, whether 2010 actually saw a trough (minimal turning point) or whether there was a period of uninterrupted increase of resources. However, the scale of surge in the availability of funds available is more than obvious.

Prospects for sustaining processes that have been started under the aegis of the DWCP 2008-2013 do exist, even if not under the coming DWCP. If resources from the petroleum sector are invested in development, as appears to be the intention, then it should be possible for the government to keep commitments made in the Strategic Development Plan 2011-2030 which actually foresees continuing application and expansion of a number of the outcomes of the DWCP.

When the amount of resources available from technical cooperation projects is held against the different DWCP priorities and outcomes, certain outcomes have

benefited more from technical cooperation than others. While this fact *prima facie* does not imply that resources were inadequate because the different outcomes require different levels of investment,<sup>22</sup> reallocation and/ or a stronger effort in extracting a maximum of resources out of the given technical cooperation funds could have probably contributed to all DWCP outcomes receiving sufficient resources.

According to the DWCP, the outcomes which do not benefit from technical cooperation funds are to be financed from the ILO regular budget. While there certainly is a logic to this from an administrative point of view, this risks leaving DWCP outcomes that are not benefiting from technical cooperation funds with inadequate resources in a nation-building context. From this perspective, more could have been made of strategic thinking to reallocate resources according to strategic needs.

The combined total allocation of USD 91,760 RB and RBTC spread over the period 2008-2013 is dwarfed by the technical cooperation programme. Although RBTC made available has apparently not been made full use of, the limited amounts usually available under these facilities may, in fact, also have prevented a process of "thinking big" or "thinking nation building".

That is an opportunity foregone because proper assistance during early development stages is likely to have much broader impact than any remedies for incomplete or lopsided processes may have at a later stage. For example, many more resources could have been made available to assist employers' and workers' organizations.

So where should the money come from if technical cooperation projects do not cater to the respective outcome and regular budget support is minimal?

According to the ILO's technical cooperation manual,<sup>23</sup> it is ILO policy that the appropriate support cost rates should be consistently applied to technical cooperation projects and voluntary contributions or gifts. This overhead cost for administrative and technical backstopping, or programme support costs (PSC) in ILO speak, is an integral part of each project budget, and is expressed as a percentage of project expenditures, currently standing at 13%. There is nothing unusual about this practice, and it is also applied by other organizations implementing technical cooperation projects or receiving donations for specific purposes.

The calculation of such overhead cost, by definition, should normally be based on job costing exercises. For practical purposes, however, the indirect cost that constitute the overhead is often evenly distributed over all extra-budgetary projects even though there usually are significant economies of scale achievable when project budgets are comparably large.

Sometimes there is also an effective ceiling on overhead cost imposed by what is considered to be acceptable in the trade.<sup>24</sup> This is the case also for Timor-Leste

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<sup>22</sup> It usually requires more resources to build rural roads than to draft labor standards.

<sup>23</sup> *ILO (2009): 217. [ILO Technical Cooperation Manual - Version 1.]*

<sup>24</sup> In other words, if an organization such as the ILO is not able to contain the overhead and keep it below the acceptable level, the donor may find it more efficient to allocate the resources to another party that is able to

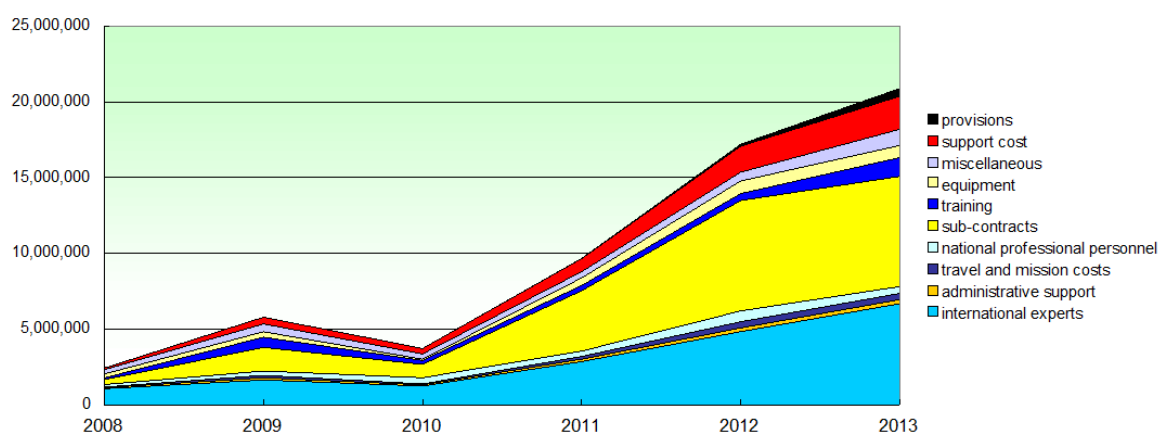
where specific donors have set specific ceilings for the overhead, e.g. the European Union. These rates have been agreed, for the specific projects concerned, with the ILO Treasurer who needs to ensure that overhead cost are sufficiently covered and that any potential financial risks to the ILO arising from the specific rate are being contained.

Where the amount of technical cooperation funds goes into tens of millions of USD as in Timor-Leste, however, the question has to be raised why no requests for a further modification of the standard programme support cost rates has been submitted for approval of the ILO Treasurer -- in order to extract more technical assistance out of the donor funds secured for the benefit of achieving outcomes agreed in the DWCP for which less funds are available.<sup>25</sup> This is somewhat disconcerting when a major share of the administrative backoffice activity that often justifies a standard overhead rate is already been paid out of direct project cost and most administrative tasks are in fact being performed in the field.<sup>26</sup>

The graph below displays the growth of the technical cooperation portfolio according to budget categories. The growth of the portfolio has also led to a substantial growth of support cost funds collected by ILO which exceed the combined cost of training and equipment budgets.

## G.2

**Growth of the technical cooperation portfolio in Timor-Leste by budget categories in USD**



Source: Calculations based on approved TC budgets and on realized expenditures for YEPP.

Programme support cost spread over the whole of the current portfolio of technical cooperation projects amount to ca. 10.3 % of the total annual technical cooperation budget. While this is 2.7 percentage points below the standard requirement for independent programmes, considering the existing scale economies, that certainly is more than enough to support the current programmes implemented in Timor-Leste.

deliver the project in a more efficient manner. Whether the real overhead cost are higher is quite irrelevant to the donor unless ILO is the only organization able to deliver the outcomes the donor wishes to achieve.

<sup>25</sup> Alternatively, ILO could have negotiated slightly higher programme support cost rates in order to be able to support further DWCP activities.

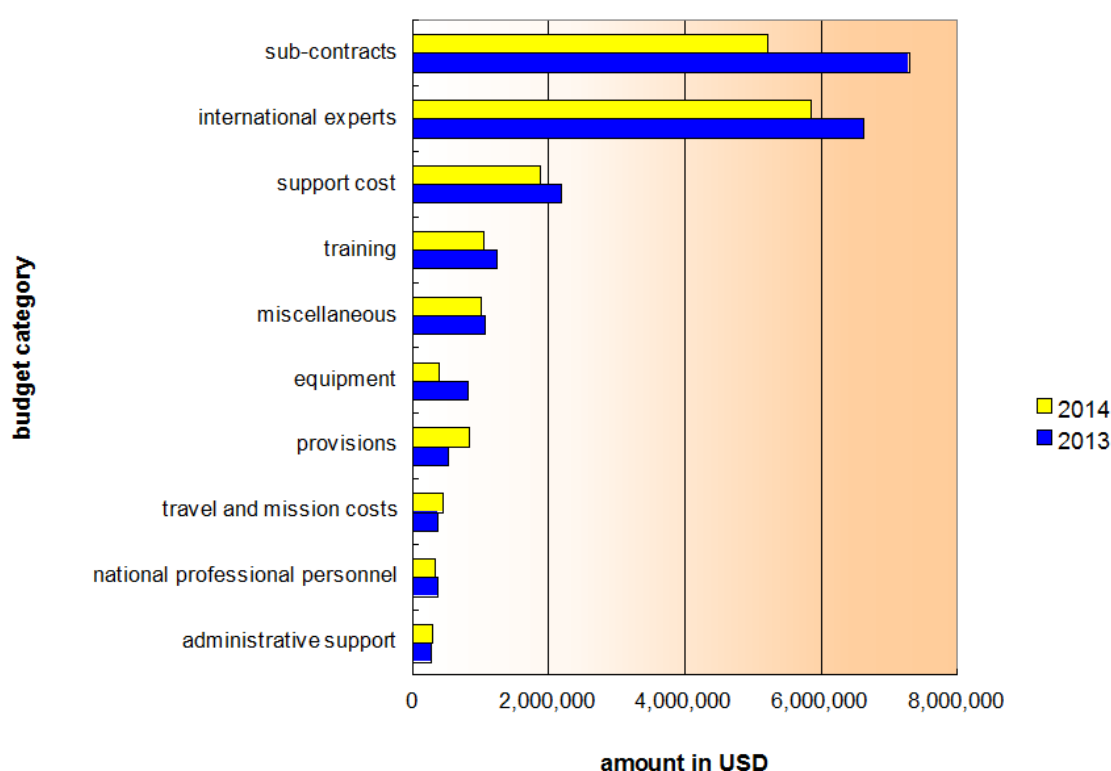
<sup>26</sup> At the same time, not all international ILO experts have obtained a proper administrative and organizational briefing by ILO prior to going to or following their first months in the field, and the quality of administrative backstopping does not always seem to live up to the expectation of ILO experts in the field.

While it is not unusual to distribute overhead cost evenly over all extra-budgetary projects in an organization, one cannot escape the conclusion that the administrative or financial windfall gained by ILO from the scale economies of the rather large technical cooperation program it has successfully negotiated for Timor-Leste has not been sufficiently converted into an opportunity to draw in additional technical support to capacity and institution building during a crucial phase in the development of a new nation.

In fact, if a further modification of the support cost rate cannot be justified on the grounds of an extensive project portfolio with substantial scale economies and in combination with the exigencies of a nation building process following periods of severe political instability, one wonders on what other grounds any modification to the rate should occur.

### G.3

#### TC resources available in 2013-2014



Source: Own calculations based on approved TC budgets.

A review of the technical cooperation resources available would yield a monthly amount of programme support funds in the vicinity of USD 180,000 for 2013 (total programme support cost divided by duration in months), i.e. on top of the administrative cost directly covered from the projects' technical cooperation budgets. While this amount is likely to vary over the years and cannot be considered to be stable at that level, it is nevertheless somewhat surprising from a managerial point of view that these funds would not have been reinvested in Timor-Leste, particularly for

workers' and employers' organizations who did not benefit so much directly from the technical cooperation projects implemented.

While it may have not been anticipated that the TC portfolio would take on the dimensions it has at the outset of the DWCP, the amount of support cost collected should have become evident with the signature under every new project agreement. This should have normally triggered management decisions to make available, for example, a position of coordinator of all ILO activities in Timor-Leste, an additional 1-2 junior expert positions for continuous technical support in areas that found no donor funding, or to supplement employers and workers specialists of the ROAP with additional funds for capacity building and organizational development activities in Timor-Leste, and/ or to make more funds available to ROAP or other ILO units for specific direct support activities in these areas, or even increasing funding for monitoring and evaluation of the DWCP.

### 5.3 Effectiveness (incl. delivery and use of outputs)

The term effectiveness as understood for this review refers to the extent to which the DWCP objectives and intended results were achieved. It also refers to synergies and coherence across interventions.

- As a technical term, effectiveness essentially asks whether we are good at reaching our goals, our objectives, or our outcomes, in other words whether we have been contributing to **DWCP priorities** and achieving the **DWCP outcomes**. It does not necessarily refer to the achievement of "results" in the narrow sense (which usually refer to the output level)<sup>27</sup>.
- Technically speaking, synergies across interventions may increase the effectiveness of a DWCP if this synergy leads to achieving more of the given outcomes or something on top of them. This expectation is usually summarized by the statement that the "sum total", e.g. of the outcomes, would be larger than the "sum of the individual parts".
- Coherence across interventions may increase effectiveness if the interventions concerned work towards the same superior objective and are linked in one form or another, the emphasis being on aligning measures with each other and avoiding contradictory or conflicting measures.

<sup>27</sup> While there is no binding standard on word usage and every agency has developed its own terminology, there seems to be a more general consensus (DAC level) that the causal chain is being described by the terms in the sequence "input" -> "output" -> "outcome" -> "impact". Some agencies add steps to this basic sequence (e.g. "use of outputs") in order to describe significant details. Some agencies develop cascading logframes where the higher level logframe's "outputs" are the next lower level logframes' "outcomes" especially when designing more complex interventions or trying to streamline several interventions.

"Impact", according to this word usage, usually is located outside the intervention's own reach to the extent that the intervention can only contribute to it. Impact usually depends on further factors to also work in favor of the desired development. The "outcome" level is the level that is expected to be achievable and under control of the intervention (with risks mitigated for by appropriate measures and/ or by redesign of the intervention). It is the synergetic or combined effect of interlinked "outputs". Every "output" is achieved by using "inputs", i.e. by implementing the activities necessary for achieving the output. Work plans are usually being drawn up at "input" level. The intervention's "budget" usually mirrors the "input" level or an aggregate of inputs, as appropriate for overview and financial supervision.

If the performance indicators selected to represent the DWCP outcomes are taken as a basis, then it is fair to say that the ILO and its constituents in Timor-Leste have been quite effective in achieving DWCP outcomes.

Out of a total of 7 outcomes, essentially 4-5 have been achieved when we go by the selected indicators. Of the 2 remaining outcomes, the assessment of one depends on the perspective taken (which technically influences outcome indicator selection) and another one was not endowed with sufficient funding.

Moreover, there are examples where consciously managed synergies may have reinforced different outcomes.

- For example, local contractors who want to obtain contracts to construct rural roads within the scope of SEPFOPE or the Ministry of Public Works (priority: integrating employment in rural economic development; outcome: more employment generated by rural infrastructure investment programmes) are asked to register at the Chamber of Commerce and Industry prior to submitting bids. This builds the membership base of the chamber (priority: creating labor market governance; outcome: increased institutional capacity of employers' and workers' organizations to participate effectively in social and labour policy processes), although it may possibly still be too early for the chamber to actually capitalize on this increased membership.
- There has been conscious interaction between the support to TVET and the support to business development by building links between IADE's trainers and their courses and INDMO.
- Likewise, links have been built between the Don Bosco training courses for infrastructure contractors and INDMO.
- Recently, the MPW (via the R4D Project) has benefited from training that draws on the resources developed under SEAPRI and SEPFOPE/INDMO (within the realm of the ERA Project).

As everything we measure, the achievement of effectiveness to a significant extent depends on the indicators we have selected to represent the outcomes, and their target values set. Therefore, a word on indicator selection and calibration may be in order.

Under the priority of "integrating employment in rural economic development", one of the **outcomes** has been specified as "more employment generated by rural infrastructure investment programmes", and worker-days created per year has been selected as an indicator. When the actual data are held against the target, it would seem that performance is not as effective as could be. It is unclear whether right indicator has been chosen to reflect the outcome.<sup>28</sup>

When it comes to the contribution to the DWCP **priorities** spelled out in the DWCP (e.g. "integrating employment in rural economic development"), however, no

<sup>28</sup> See the discussion in section 6.B below.



performance indicators have been selected on the basis of which the degree of contribution could be assessed. If one assumes that there is a causal connection between the outcomes and the contribution to the priorities, then it may be fair to assume that DWCP priorities have been contributed to.

If the effectiveness of the DWCP in contributing to the priorities is of genuine concern or interest, however, then it becomes important to be able to assess to which degree such contributions have been made. From this perspective, it would be appropriate to develop indicators at the priority level. In the absence of such indicators and respective measurements, it is not meaningful to draw any more specific conclusion regarding the effectiveness of the DWCP in contributing to achieving its priorities inasmuch the time available for the review does not allow for identifying, agreeing and measuring such indicators.

However, it will make sense to select some indicators at the priority level during the next DWCP exercise in order to make the degree of contribution to the priorities an object of discussion. This may very well contribute to clarifying approaches or strategies to dealing with the respective priorities.

## **5.4 Efficiency**

Resource efficiency in this evaluation as elsewhere describes the extent to which resources were converted into results in an economic way. Efficiency is usually measured between input and output and sometimes outcome levels. Typical methods for establishing the efficiency of a public investment project are cost-benefit analysis and cost-effectiveness analysis. While the first is usually applied when units of benefit can be expressed in monetary terms and yields a net present value or an internal rate of return for the project, the second method is used when this is not the case and requires comparison with similar projects in order to determine efficiency levels. A last-resort method to determine efficiency when it is difficult to quantify output is a comparison on least cost basis.

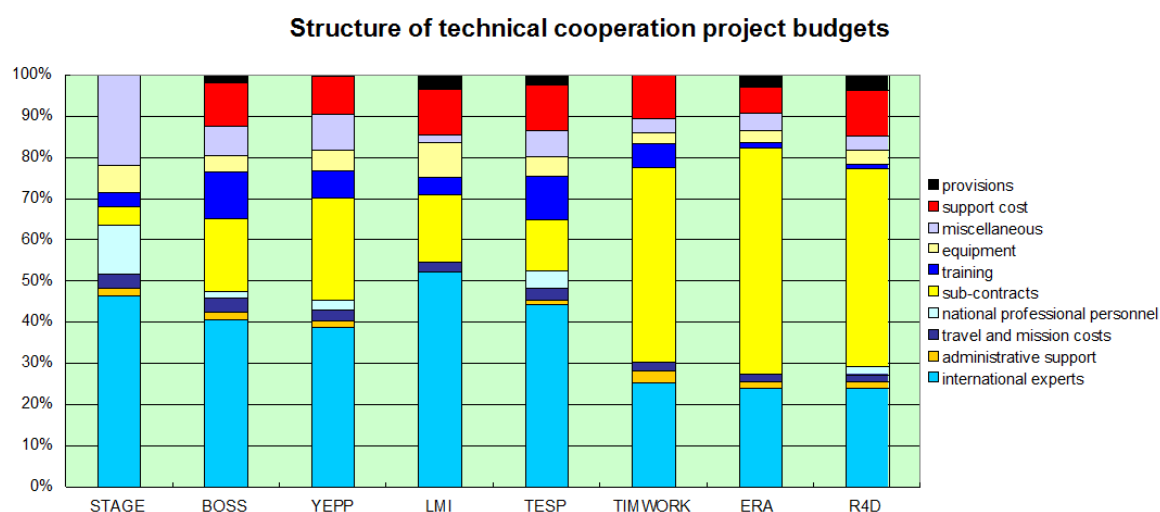
Determining whether a DWCP has been implemented in an efficient way is not an easy task. For one, DWCPs have multiple priorities (and multiple outcomes) which make the measurement of the benefit of a DWCP unwieldy and difficult to attribute. Secondly, it presupposes that there is a specific budget that can be allocated according to efficiency criteria across the different outcomes of the DWCP when in practice, in Timor-Leste, the allocation is essentially determined by the funds the donors have earmarked for their projects and which cannot simply be made use of to cater to different DWCP outcomes. A reallocation of funds by ILO between different projects respectively outcomes therefore is not feasible, is not an option in practice.

Multiple objectives as such are not uncommon in policies, public investment programs, and projects. As they are often emerge from compromise made in discussions between different stakeholders, these objectives may occasionally even conflict with each other. Also, the more objectives there are, the more needs to be monitored in order to ascertain whether these objectives are being attained.

This necessarily limits any remarks that can be made to efficiency at DWCP outcome or project level. At the same time, full-fledged analyses of program or project efficiencies go beyond the scope of what is achievable within the framework of this assignment. Are there any other ways of approaching issues of efficiency?

The following graph presents the shares that different budget categories take in the projects of technical cooperation that have or are being implemented during the DWCP 2008-2013. The structural differences between these budgets that are explained by the contents of the projects, and indicate that the most efficient patterns have been selected in the different fields of intervention.

#### G.4



Source: Graph based on approved TC budgets.

Technical cooperation usually focuses on capacity building, and ILO in Timor-Leste has selected an approach that embeds international experts in the institutions where the capacity needs to be built. This explains why the share of the budget attributable to international experts amounts to 40-50% of the available budgets in a majority of projects.

The only projects where the share of funds for international experts is exceeded by another budget category are the projects which deal with infrastructure investments because they are equipped with more substantial funds for sub-contracts that finance training and demonstration exercises.

From a technical point of view, it is important to ascertain that contractors do not merely acquire the labor-based construction skills in theory, but are able to apply them in practice. This is being ascertained during the practical phase of construction training and during implementation of works by ILO experts, and the results seem to indicate contractors are able to work to standard if the works are properly supervised.

From a developmental perspective, it is also important to demonstrate to the different stakeholders that the labor-based approach can be successfully implemented in practice, without any compromises regarding the quality of the infrastructural works

performed, in order to ensure the recognition of the approach at policy level. This is where the funds for building the infrastructural works come in.

That being said, the amount of funds available for these practical exercises is sufficient and any increase that does not relate to new technical challenges or training contents (e.g. for other types of infrastructural works) is likely to decrease overall efficiency. After all, technical cooperation is not meant to finance the road building activities themselves, but to build the capacity of Timorese organizations to do so without further external support, drawing on the country's own resources.

The implication is that with sufficient demonstration exercises having taken place for specific infrastructural projects (e.g. different types of road constructions), the directly construction-related expenditures (materials, equipment, even if via sub-contracts) should be replaced by government funds. Once the feasibility has been sufficiently proven, the responsibility for financing the works themselves should shift to the government side. Where appropriate, additional coaching and technical assistance should still be supplemented in order to ensure that the capacity built and the processes developed become fully sustainable.

Some technical cooperation projects implemented have drawn on sub-contractual arrangements in order to build the capacity of prospective government staff.<sup>29</sup> This method is certainly effective because it quickly achieves the intended aim of capacity building. However, it is not efficient because the technical cooperation funds could have been used for other purposes if the government had recruited the staff to be trained at an earlier stage.

Given the dynamics of the situation (where the securing the funds for the additional staff required within a governmental budgeting process also requires a demonstration by the spending agency, vis-à-vis the ministry of finance and other competing spending agencies, of its ability and capacity to actually make good use of the funds), such a decision needs to trade off between effectiveness and efficiency, and may involve some risk taking, here for the benefit of achieving DWCP outcomes.

The risks taken have been mitigated to a significant extent by not paying the prospective staff any fee rates that are higher than the prospective government salaries they could earn, by limiting the duration of the contracts, and by obtaining official assurance from the counterparts that the additional staff will effectively be recruited through the government budget.

One method that may improve efficiency of the technical cooperation portfolio and that could have been, increasingly, applied considering the size of the current portfolio is feasibility studies. While it is fully understood that the dynamics of negotiating the contributions by donors to different types of projects may not have allowed for the quick insertion of such studies (which, depending on their complexity and focus, may sometimes take 6-12 months to complete), it may have still been possible to ask for selected external inputs to explore the potential feasibility issues

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<sup>29</sup> At SEPFOPE and IADE.

that could arise from different approaches.<sup>30</sup> It would have also been possible to implement such feasibility studies as specific project activities during the implementation of the respective TC projects.

Such feasibility analyses, furthermore, can be very helpful and are particularly important for the government because solutions developed within the scope of the DWCP potentially have significant impact on future government spending. The cost of measures such as labor-based construction need to be calculated prior to further roll-out (e.g. over 3,025 km of rural roads) because it is during roll-out that cost and benefit values should rise to very significant levels (and the net benefits ideally be maximized). In other words, it would still very much make sense to come up with such feasibility studies while the DWCP is in progress or to foresee some feasibility studies for important areas of action during the next DWCP. It is understood that some of this work has already been launched.

## 5.5 Organizational arrangements

Officially, there is no ILO Office in Dili, and the responsibility for Timor-Leste lies with the ILO Jakarta Office which is responsible for both Indonesia and Timor-Leste.<sup>31</sup> In practice, however, there seems to be an ILO Office in Dili which has successfully assumed representation of ILO in Timor-Leste on a day-to-day basis. How is that explained?

The amount and the volume of technical cooperation projects successfully negotiated and simultaneously implemented by ILO in Timor-Leste has allowed the ILO to transfer the administrative "payload" of the different technical cooperation projects to a single "ILO Office" which in the absence of such technical cooperation funds would not have seen the light.<sup>32</sup> Such a transfer certainly is not automatic because the projects negotiated do have different timelines they are working to, and they are funded by different donor organizations that follow their own procedures. Transferring these activities to a single office, therefore, constitutes a conscious managerial decision.

<sup>30</sup> The issue was raised for TVET by an external evaluator. Cf. Final Evaluation of Youth Employment Promotion Programme YEPP: 21. Whether there are alternatives to building a national TVET structure during a nation-building process is open to question. However, where institution building starts from scratch, there is certainly an excellent opportunity to review different international experiences and develop a view on the feasibility of different approaches.

That being said, it is surprising that *Hill & Saldanha eds. (2001)* do claim to sketch development challenges for Timor-Leste do not even mention vocational training and relegate "education" as a whole to "social policy" as if the human skills that are at the root of building a modern and competitive economy came out of the blue.

<sup>31</sup> There seems to be no uniform practice for naming offices at the ILO. For example, the ILO Beijing office is called the ILO Office for China and Mongolia. The ILO Jakarta office, however, is called the ILO Office for Indonesia while it is responsible for both Indonesia and Timor-Leste.

In the "early days" of ILO assistance in Timor-Leste, the ILO liaison officer was not entitled to participate in UNCT meetings because the title of "Head of Mission" had not been conferred to the same. To this date, on the ILO website, the "Head of Mission" of the ILO in Timor-Leste is merely designated as an ILO liaison officer.

<sup>32</sup> The staff list of ILO CO-Jakarta contains a total of 123 staff members, 68 of whom are based in Indonesia, and 55 of whom are based in Timor-Leste. Due to the difficult road conditions and the nature of the work, other than in Indonesia, one-third of the staff in Timor-Leste are driver-clerks. Still, the number of ILO technical and administrative staff in Timor-Leste is higher than for many other country offices, including, for example, Manila or Beijing.

ILO Jakarta has given considerable leeway to the office created in Timor-Leste and ILO as an organization is effectively currently being represented by a "Head of Mission" in Dili while ILO Jakarta has not delegated any formal responsibilities in the overall context.<sup>33</sup>

This approach has been very successful in Timor-Leste.

- It has unified the operations of different technical cooperation projects that could have been implemented in disparate locations with different counterparts under one single roof. This has enhanced opportunities for interaction between different ILO experts and therefore laid a foundation for creating synergies between different technical cooperation projects.
- It has significantly increased the visibility of the ILO in Timor-Leste.<sup>34</sup>
- It has most certainly reduced the direct administrative overhead cost of project implementation, including translation services, monitoring, and reporting.
- It most likely has benefited the approach of embedded assistance. Had the full administrative sections of the projects been jointly located within the respective counterpart institutions, that would have increased the work space requirements for placing the experts in the institutions and could have created the perception of separate work units working under different conditions.

When an ILO country portfolio or DWCP is mainly characterized by technical cooperation projects without any formal ILO representation in place, ILO primarily becomes visible through the experts deployed by ILO in these projects. This places a high burden on experts, in particular the Chief Technical Advisors, because their main function by definition is to ensure proper implementation of the projects they have been recruited to implement or operate in, essentially working towards the agenda of the specific donor funding the project. It also places a considerable risk on ILO because the performance of the experts deployed will be equated with the performance of ILO as an organization.

- In Timor-Leste, the implementation of the DWCP has benefited from the fact that ILO has deployed a number of experts who have previously worked on behalf of ILO. This seems to have ensured that ILO core values and corporate identity have transpired despite the projects being implemented based on the funding by different donors and experts having been recruited from different places. In combination with administrative oversight from ILO Jakarta and ILO Geneva, this apparently also has ensured that ILO procedures were properly adhered to during the implementation of the projects.

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<sup>33</sup> According to the CO, when the management of the CO for Indonesia and Timor-Leste (CO-Jakarta) Director/Deputy Director is present in Timor-Leste, ILO is represented by the management of CO-Jakarta. In their absence, this is delegated to the designated liaison officer. The liaison officer now also bears the title Head of Mission in order to be able to fulfil the functions at the Timor-Leste UNCT or with respect to donor relations. Spending authority of the Head of Mission does not exceed USD 5,000.

<sup>34</sup> This fact, in combination with the positive development of bilateral relations between Timor-Leste and Indonesia over recent years, has probably also contributed to an overall perception that despite the history of occupation of Timor-Leste by Indonesia and its very violent ending, "running" Timor-Leste ILO activities out of CO-Jakarta is not as contentious an issue as it could be.

- However, not all of the ILO experts deployed have had sufficient and recent ILO experience. This does carry potential risks for implementation according to ILO procedures, for proper representation of ILO, as well as for safeguarding ILO interests. It also appears to have led to occasional misunderstandings and delay which need to be kept in check to avoid any negative repercussions.

This begs the question which strategy, if any, ILO is pursuing regarding the recruitment and preparation of particularly international experts deployed in technical cooperation projects. Normally, all large organizations have an objective need to properly indoctrinate (prepare, acquaint, instruct, brief) staff in order to enable staff to work towards the organization's objectives and within the parameters established by the organization. The more the staff of the operating core (here: the ILO experts) is expected to perform on behalf of the organization while being deployed outside the organization itself, the stronger the need for proper indoctrination because the level of exposure to the clients (counterparts, donors) is significantly higher than the amount of exposure to the organization the staff is expected to represent (ILO).<sup>35</sup> In certain cases, ILO CTAs may, in practice, even find themselves struggling to respond to and align with restructuring processes of specific donor agencies in order to ensure the continuous funding of an ongoing project (thereby learning a good deal about their clients) when, from ILO perspective, they should ideally know much more about the ILO and focus on implementing the project jointly with their counterparts in line with ILO corporate culture and strategy.

While value-based and professional assessment processes during recruitment may help to maintain a basic level of coherence with organizational objectives and general adherence to procedures, a minimum of preparation and continuous refreshment is required to ensure that staff is actually capable of toeing the lines set by the organization. This is particularly the case when the mandate of the organization is of significant scope and depth, as is the case for ILO even though it is a specialized agency.

With the current and presumably future DWCP of Timor-Leste, being strongly dependent on donor support and the implementation of technical cooperation projects, it is high time to ensure that all ILO experts deployed and to be deployed in the future receive a proper training on ILO and ILO procedures early during their deployment. Similarly, even if ILO experts have been deployed by ILO before, this does not imply there is no further need for training. ILO experts need to be informed of latest developments at ILO so they can properly communicate them in the field. They should have more opportunities to refresh previously gained knowledge and insights on the ways of the organization so as to not communicate old messages and outdated concepts. They also need to be able to relate to other issues, topics, and departments of the ILO than those of their own specific technical expertise.

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<sup>35</sup> This is not unusual for professional bureaucracies, including in the field of international development. Many of them have established routines not only to rotate staff, but also regular and mandatory refreshment training on organizational procedures, policies, and strategies, besides keeping the staff abreast of the latest developments in their respective technical fields.

## 5.6 Partnership approach

The role of partners and their relationships in promoting decent work, and their coordination is very positive in Timor-Leste. Possibly, it is currently one of the more positive relationships existing in practice, compared with other countries where relationships are more entrenched. There are several factors that are likely to contribute to this situation.

- Timor-Leste is a young nation. It is therefore still able to galvanize individuals and groups of individuals by virtue of a nation building process, and the positive energy captured can be channeled into productive relationships and coordination. Coordinating ILO constituents in Timor-Leste, therefore, is a significant contribution to nation building. And nation building in Timor-Leste invariably must include coordinating ILO constituents.
- Timor-Leste with its rather short history does not have a legacy of deeply entrenched labor relations. While, certainly, early liberation ideology may have had its share of class struggle vision, national issues seem to have always been of higher importance than perceived class struggles. Workers began to formally organize only in the wake of the country's independence. Employers have found it more difficult to come to terms with their own organization and took almost one decade to create their representative organization in 2010, during the period of this DWCP. These are very much recent developments.
- Timor-Leste, essentially, is very much a rural economy with a significant share of subsistence agriculture. The labor market based relationships between employers and employees are therefore still rather limited. The total number of paid employees in Timor-Leste is estimated at only 72,000. Only 400 new formal jobs per year are being created by private sector enterprises.<sup>36</sup> This implies that labor relations in the modern sense are only emerging.
- Timor-Leste is a small island nation. Despite its geography and the lack of developed road and rail infrastructure and the diversity of its population, the total population does not exceed 1.3 million people. The likelihood of accidentally running into acquaintances (including representatives of ILO constituents) even in the capital city with its population of ca. 250,000, including surroundings, is rather high. The social fabric is tightly knitted. Personal relationships are valued and cultivated. Even the President of the country is still able to maintain more intimate contact with the population, and is known to make use of it.

The partnership between ILO experts and counterparts implemented in Timor-Leste is particular in the ILO context because it is characterized by what is being labeled, here, as an "embedded approach".<sup>37</sup> This approach consists of placing ILO experts directly into the organizational structures of the constituents and assisting them in

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<sup>36</sup> *LFS 2010*: viii. *SDP 2011-30*: 111.

<sup>37</sup> The approach is not absolutely unique when we look beyond the practices of ILO. Other development organizations do "embed" highly qualified foreign experts on a routine basis, including CIM of Germany or various volunteer services and NGOs. Ideally, all technical cooperation should sound out the options for embedding the experts deployed with the counterpart organizations. Requirements of office space and organizational routines do not always allow for that.

building their organizations, their capacities, their strategies and policies, as well as their relationships, partially from scratch.

- This approach is very valuable and fully appropriate to the nation-building context of Timor-Leste.<sup>38</sup> Anecdotal evidence from discussions with different interlocutors indicates that the approach has actually won praise among development partners as well as different government stakeholders. It has partially assigned ILO an exceptional status among the different multilateral organizations operating in Timor-Leste, and ILO has benefited from this by being awarded further contributions in technical cooperation projects. The approach contrasts particularly strong with other approaches where expert deployment appears to have more generally followed patterns of substitute performance that, by definition and therefore predictably, can only have limited impact.<sup>39</sup>
- Simply embedding technical experts is certainly not a guarantee for success. At least, it is not by itself sufficient a condition to be able to guarantee successful implementation of technical cooperation projects and achievement of DWCP outcomes. However, it has become a very powerful approach in Timor-Leste in combination with expert mindsets that are positive and open, that accept the same workplace conditions as Timorese counterparts, and that adapt to the speed and rhythm of counterpart operations.

The experts deployed require faculties to break down knowledge transfer into digestible bits that do not overstretch the absorption capacity of their counterparts. At the same time, working side-by-side with experts, embeddedness provides many opportunities for counterpart staff to learn from observation and exposure to different work habits and practices, and to ask for *ad hoc* advice and support. Reciprocally, by working side-by-side with their counterparts, experts are able to develop a much more detailed understanding of the constraints faced by their counterparts and therefore are in a much better position to both gauge and target their specific assistance properly.

- Embedded or not, development experts are expected to act by the highest level of existing consulting standards, namely to make themselves superfluous during the process of technical assistance by enabling and transferring all required skills to their clients.

While it is unrealistic to expect that all the required capacity building in Timor-Leste can occur in the short term, counterparts are already, visibly taking charge of tasks they are now able to independently perform based on their experience

<sup>38</sup> It may certainly also be appropriate to any other country where constituent organizations are of a fragile character or are only in the process of creation. From this perspective, it could be an approach valid both for new nations and for fragile states that have strong needs for institution and capacity building.

<sup>39</sup> This, somewhat regrettably, even is reflected in numerous government documents that have quite obviously been crafted by native English speakers, presumably citizens of foreign countries, and only have been "made Timorese" by adding closing mottos in Tetum language.

These general circumstances of development assistance in Timor-Leste, furthermore mingled with high numbers of foreign experts (apparently several dozens alone at the Ministry of Finance) and leaked fee scales, have already sparked significant political debate. Cf., *inter alia*, Cabinet of the Prime Minister (2009).

Note also that the issue of dependency on (foreign) experts is not new to Timor-Leste. It has already been referred to by Gusmão on the occasion of the first anniversary of independence. Cf. *Gusmão (2004)*: 229.



with and training received from embedded ILO experts. Therefore, a gradual withdrawal of embedded experts is likely to occur during the course of the next decade (two DWCPs). However, any general push with regard to quickly drawing up exit strategies for embedded experts would be premature and should certainly be avoided.<sup>40</sup>

## 5.7 Knowledge management and communication

Knowledge management and communication issues have gained in importance over the past two decades. This is not independent from the opportunities that modern ICT have created for increased sharing of knowledge, and the parallel challenges arising from processing the sheer volume of material that can be exchanged drawing on modern ICT which requires a substantial amount of sifting and sorting to generate information, part of which can be turned into knowledge ("knowhow" plus "know why") in specific contexts. At the time the DWCP 2008-2013 for Timor-Leste was drawn up in the aftermath of a crisis situation, the topic of knowledge management strategies also hit the agenda of the Governing Body of the ILO.<sup>41</sup>

Lessons about knowledge management drawn by the ILO at the time include that the creation of an organization-wide approach is critical to embed knowledge sharing; that all methods of knowledge sharing are contextual; that there is a great potential for knowledge sharing across technical cooperation projects; that managing expectations about knowledge management is important (It is not as easy as it may seem and could take a while.); and that while IT is important, it should not drive the knowledge management strategy. Knowledge sharing must also be linked to other strategies, such as strategies related to human resources (promoting a learning culture), research (generating and disseminating knowledge, IT (enabling knowledge sharing), evaluation (underpinning knowledge sharing). It should also be followed up within the results-based framework (which itself is a tool that enhances knowledge management).

When considering the situation of a new nation as Timor-Leste, the first reason for thinking about knowledge management should normally be driven by demand: Let us tap into the ILO's worldwide knowledge base in order to not repeat mistakes made before, to not reinvent the wheel, and to incorporate as much of best practice available as we can into our contribution to building capacities in one of the world's youngest nations. It is only after gaining our own proper experience in Timor-Leste with applying this knowledge that we would be able to generate knowledge that could be fed into the ILO's knowledge base.

There is sufficient evidence from discussion with the ILO experts deployed that state-of-the-art approaches have generally been applied during the course of the DWCP 2008-2013. There may be exceptions,<sup>42</sup> but they are confined to specific areas and

<sup>40</sup> The YEPP Final Evaluation appears to suggest that it is high time to come up with exit strategies in TVET. While the general argument is completely valid (An exit strategy must be developed for any intervention with external support.), this underestimates the amount of operationalization of tasks and capacity building that still needs to occur, including sparring opportunities. Note that any more profound project in the area of TVET would take some 7-10 years under normal conditions, i.e. without nation building as an add-on.

<sup>41</sup> Cf. GB.300/PFA/9/2 [Results-based management, (b) Knowledge strategy], November 2007.

<sup>42</sup> E.g. the setup of the FEFOP which appears to be floating between different concepts and could possibly

do not significantly affect the overall picture. Yet, given that good knowledge management is about getting the right knowledge in the right place at the right time, better knowledge management possibly could have given the extra edge to ensure that even those areas could have been properly addressed (or "patched").

Therefore, the credit for the fact that state-of-the-art approaches have generally been applied is most likely to go to the ILO recruitment process which yielded highly qualified and motivated experts rather than to the impact of any prevailing ILO knowledge management system. This is not unusual because the recruitment of CTAs implies identifying candidates who already possess of the knowledge required so that there is no time lost by bringing these experts up to speed. Also, none of the areas of the DWCP or the technical cooperation projects that supported it required the creation of entirely new approaches, but needed to intelligently adapt existing best practices to the Timorese situation. Therefore, relying on the recruitment process to deliver the knowledge required was both a reasonable and cost-efficient option for procuring the right knowledge for the right place at the right time.

Where the DWCP 2008-2013 could have possibly gone an extra mile in the area of knowledge management, especially with the technical cooperation budgets that have made themselves available during the course of its implementation, are the following results the ILO has been striving for (by the end of 2007):

- "All new DWCP documents take knowledge-sharing elements into account."

Timor-Leste's DWCP 2008-2013 does not yet take knowledge-sharing elements into account. That is not to say that knowledge has not been shared. It is only to say that a strategy for knowledge sharing has not been directly integrated into the DWCP. There may be many valid reasons for this, including the potential overburdening of a DWCP in a situation where the successful acquisition of additional technical cooperation funds could not yet be foreseen.

There is an opportunity to integrate knowledge sharing in a more systematic fashion into the next DWCP.

- "At least 50 per cent of the UN organizations and specialized agencies have conducted their initial self assessments as described in the *Toolkit for mainstreaming employment and decent work* and formulated action plans to promote the goals of full and productive employment and decent work."

This is another result where one could have tried to walk the extra mile. This result concerns ILO sharing its own knowledge on applying the concept of decent work with other UN agencies in a systematic fashion. The lack of formal status of ILO representatives at the outset of the DWCP may not have been sufficient to convince other UN agencies to submit themselves to such an exercise.

With the "enhanced status" ILO has earned during the period of the DWCP 2008-2013 it should now be possible to involve other UN agencies in the ILO's

decent work agenda in Timor-Leste. The new DWCP provides an opportunity to formulate a respective output (or outcome).

- "Knowledge sharing system with the UNDP is put in place to allow reciprocal access to intranet sites and staff contact details."

The review team was not able to discuss with UNDP during the field visit and is not in a position to comment on the knowledge sharing between the different UN agencies in Timor-Leste. The UNDAF 2009-2013 neither refers to knowledge management nor to the intranet. Should this result therefore not yet be attained, it would be useful to agree a respective output for the UNDAF.

One of the results ILO aimed for in 2007 was that at least 25 per cent of the organizational unit web sites use WCMS at headquarters to update the content. This seems to have been achieved. A search of documents on Timor-Leste on the ILO website yielded 100% WCMS results. The total number of search results produced also seems to be in line with other countries of a similar size.

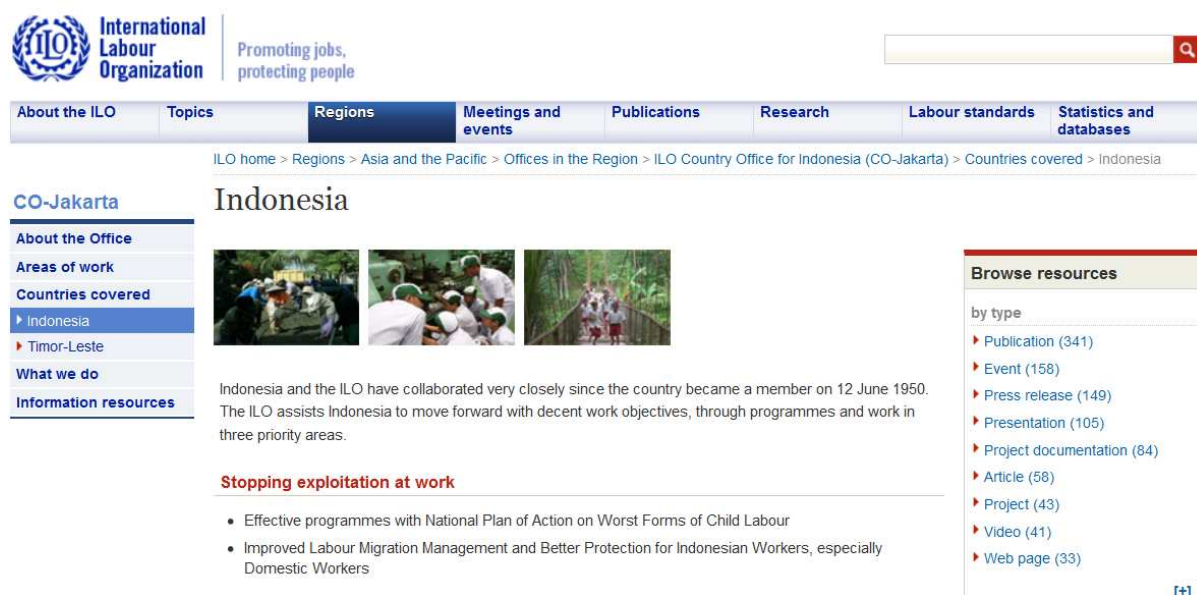
On the other hand, a glance at the website of ILO's Country Office in Jakarta (below) reveals that there is still room for improvement in making information on Timor-Leste available to interested parties. Whereas the section of the website concerned with Indonesia offers to browse hundreds of resources on top of the DWCP, the section of the website concerned with Timor-Leste merely offers a single link, to the DWCP document. This is easily remedied with a little extra effort, and would do the size of the portfolio of Timor-Leste more justice.<sup>43</sup>

According to the CO, knowledge management is possible if all parties regularly share information. The communication officers in CO-Jakarta makes requests to ILO in Dili / project managers to share the documents for the web. Current information available on the web is a result of the information received. If this reflects the real situation, there may be some communication or managerial issues between the CO and ILO Dili/ project managers that need to be sorted out before the situation can be remedied. Nevertheless, it should normally be possible to increase the information available on the CO website with relatively modest efforts.

## G.5

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<sup>43</sup> Equal treatment is offered to both Indonesia and Timor-Leste when the contact list of constituents is consulted on the website: both lists have not been updated since 2009.



The screenshot shows the ILO CO-Jakarta website. The header includes the ILO logo and the tagline "Promoting jobs, protecting people". The navigation menu has tabs for "About the ILO", "Topics", "Regions", "Meetings and events", "Publications", "Research", "Labour standards", and "Statistics and databases". The breadcrumb trail reads: "ILO home > Regions > Asia and the Pacific > Offices in the Region > ILO Country Office for Indonesia (CO-Jakarta) > Countries covered > Indonesia".

The main content area is titled "Indonesia". It features three small images showing people in various settings. Below the images, the text states: "Indonesia and the ILO have collaborated very closely since the country became a member on 12 June 1950. The ILO assists Indonesia to move forward with decent work objectives, through programmes and work in three priority areas."

A section titled "Stopping exploitation at work" lists two bullet points:
 

- Effective programmes with National Plan of Action on Worst Forms of Child Labour
- Improved Labour Migration Management and Better Protection for Indonesian Workers, especially Domestic Workers

On the right side, there is a "Browse resources" section with a list of resources by type:
 

- Publication (341)
- Event (158)
- Press release (149)
- Presentation (105)
- Project documentation (84)
- Article (58)
- Project (43)
- Video (41)
- Web page (33)

At the bottom right, there is a small "[+]" icon.

Source: ILO CO Jakarta website, section on Indonesia, as in August 2013.

## G.6



The screenshot shows the ILO CO-Jakarta website. The header includes the ILO logo and the tagline "Promoting jobs, protecting people". The navigation menu has tabs for "About the ILO", "Topics", "Regions", "Meetings and events", "Publications", "Research", "Labour standards", and "Statistics and databases". The breadcrumb trail reads: "ILO home > Regions > Asia and the Pacific > Offices in the Region > ILO Country Office for Indonesia (CO-Jakarta) > Countries covered > Timor-Leste".

The main content area is titled "Timor-Leste". It features three small images showing people in various settings. Below the images, the text states: "Timor-Leste became the Organization's 177th member State on 19 August 2003. One of the major challenges for the country is to reduce poverty and create jobs for its population. The ILO assists Timor-Leste to move forward with decent work objectives, through programmes and work in three priority areas."

A section titled "Youth employment promotion" lists one bullet point:
 

- Effective implementation of youth-focused social and economic policies and programmes

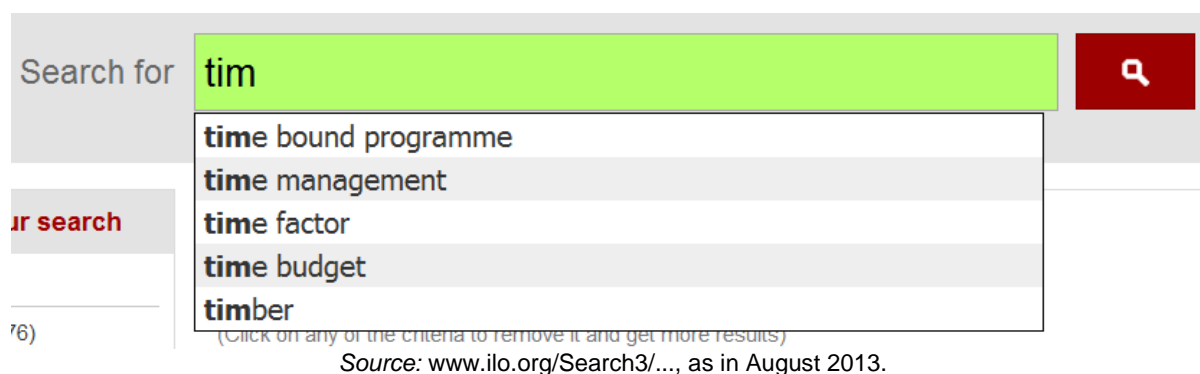
On the right side, there is a "Related information" section with a link:
 

- ▶ Timor-Leste Decent Work Country Programme 2008-2013

Source: ILO CO Jakarta website, section on Timor-Leste, as in August 2013.

What is more, it seems that Timor-Leste has not yet made it into the autosuggest or incremental search feature on the search engine of the ILO website. Whereas the entry of "cy" in the search engine on the ILO website will lead to autosuggestions such as "cyclical unemployment", "cybernetics", "cypriot", "cyprus", and "cycle", or the entry of "tri" will lead to "trinidad and tobago", "tribal people", "tripartite", "tripartism", and "trial", persons seeking knowledge on Timor-Leste will not find the autosuggest feature quite as helpful (see screenshot below). The good news is: The search engine still will search and provide documents that contain references to Timor-Leste as long as the complete term is entered.

## G.7



Note also that the ILO website is not void of "Timor-Leste" as a search term. For example, when searching the EMP/ENT Resource Platform, one of the disaggregated tools for sharing knowledge in a specific department at ILO, Timor-Leste is available, as all other countries are, from drop down menus. Alas, the last of the total of 4 documents shared on that platform dates from 2009 because they are since then uploaded onto the ROAP knowledge sharing platform. This could point to an emerging risk in the proliferation of resource platforms, and it may possibly be necessary to unify or properly reconnect them in the future.

In sum, it is still not as easy as it could be for others to learn more about the experience of ILO in Timor-Leste without establishing direct contact or, perchance, participating in the same communities of practice as the ILO experts deployed in Timor-Leste.

Generally speaking, investing large efforts in knowledge management under the DWCP of Timor-Leste may not be justified to the extent that, in the context of the country, the ILO entity is small enough and not strongly dispersed so that regular exchange of information and knowledge is possible on a face-to-face basis. External contacts for ILO staff (Jakarta, Bangkok, Manila, Geneva) are also well defined so that everyone basically knows where to ask when there are questions.

ILO experts and constituents from Timor-Leste generally do have the possibility of participating in communities of practice that have been set up with the assistance of the ROAP over the last years. In particular, the communities of practice relating to youth, skills and employability, industrial relations, and green jobs should be of interest. However, the internet bandwidth available in Timor-Leste still places limits on a more organized participation on internet based platforms than at other locations.

The benefit of knowledge management efforts must outweigh its cost (in terms of time and effort). Simple steps for increasing the level and quality of knowledge management beyond the existing evaluations and the participation in communities of practice consist of

- more systematically or regularly identifying and sharing of good or best practice, and making that available in a more timely fashion in digestible formats (and including the organization of occasional learning events for all constituents)

- on a regular basis check whether there are any unfulfilled knowledge needs for ILO Timor-Leste that are bothersome in one way or another, and review how they can be addressed (complete knowledge audits should be avoided, though)
- capturing knowledge of exiting staff by ways of exit interviews

More should not be attempted at this stage. It is better to keep it simple, and make it work.

### **5.8 Adjustments to change and application of lessons learned (measures to respond to emerging risks and opportunities)**

Neither the struggle for independence, nor the first years of independence of Timor-Leste as a new nation have come with particular ease. Political rifts remain to this day, both within the country as with its former occupying power, and have led to crises of significant proportions. The UNDAF 2009-2013 for Timor-Leste, in fact, still very much reflects the situation at the outset of the DWCP 2008-2013 with its strong focus on internally displaced persons.

The situation has increasingly improved during the period of the DWCP. While the handover of UNMIT only occurred in the end of 2012 and Timor-Leste's participation in the g7+ group testifies to the recency of the crises as well as to the potential for continuing fragility, the country does aspire to become a model for winding itself out of the fragile situation and is able to draw on its petroleum resources and still capture significant amounts of ODA to support this path.

The implementation of the DWCP 2008-2013 in Timor-Leste seems to have been fraught with significant adjustments to change. The main feature of these adjustments to change during the period concerned has been a deliberate seizing of opportunities for technical cooperation by the ILO in order to boost the outcomes under the DWCP. These opportunities drew on resources mainly provided by bilateral and multilateral donors. However, opportunities for establishing South-South cooperation with Brazil were also seized.

In this context, the ILO has benefited from both its continued presence in Timor-Leste during the crisis period (which had demonstrated considerable flexibility and generated substantial trust) as well as its approach of embedded assistance in the acquisition or negotiation of technical cooperation funds.

Technical cooperation projects have adjusted to changing government structures (e.g. Ministry of Economic Development) during the DWCP period. They have also made use of lessons learned from technical cooperation project evaluation exercises.

One opportunity of South-South cooperation enabled the ILO to add to the agreed DWCP framework by supplementing activities (if not an outcome) relating to the second strategic objective of the ILO Declaration on Social Justice for a Fair Globalization, developing and enhancing measures of social protection which are sustainable and adapted to national circumstances, and which had not found its way into the DWCP document at the time it was agreed.

This additional area of activity or outcome is labeled

### **Timor-Leste National Social Security System Established [TLS901]**

and consists of the development of a decree law to establish a transitional social security scheme guaranteeing the basic social protection needs of civil servants and their dependent family members. It is the basis of the current government pension scheme which was approved by the Council of Ministers during May 2011. It covers civil servants, including the police and the military, and is in line with the ILO conventions.

In the context of this work, actuarial studies and projections for the establishment of the transitional pension scheme were prepared, presented and discussed with social partners and the government prior to the development of the decree law. It is expected that ILO will be requested to assist the actuarial work on the permanent regime and the training of future public servants that will be in charge of the implementation.

- Decree Law to establish a transitional pension scheme was developed and approved by the Council of Ministers on May 2011. It will cover public servants, including police and military.
- The transitional scheme will offer old-age pensions covering those servants aged 55+ and survivor pensions covering the dependants of all deceased servants (including those already deceased since 2002). Old-age pensions will be conceded for those aged 60+.
- Projections for the establishment of the transitional pension scheme were prepared, presented and discussed with social partners and the Government prior to the development of the Decree Law.

## **5.9 Sustainability**

The question of sustainability is an important issue for any measure that relates to building institutions and/ or have a long-term impact. Of course, short-term perspectives and priorities may dominate in a given situation. However, crises overcome, the long-term perspective is usually much more important than the short-term perspective. It essentially is concerned with establishing patterns that are able to ensure a lasting success of a given measure or the continuous presence or activity of institutions or organizations created to address specific issues on a continuous basis. Often sustainability relates to capacity and institutional development as well as the creation of an enabling environment (e.g. changes in laws, policies, and behaviors).

Timor-Leste has gone through a major crisis just prior to the DWCP 2008-2013. Therefore, it could be reasonable for short-term measures to dominate the DWCP agenda. On the other hand, as a new nation, Timor-Leste is under immense pressure to create institutions and organizations for the benefit of its citizens, and to enable these institutions and organizations to become sustainable. Therefore, a fair share of institutional development and the creation of enabling environments should also be expected.

In fact, the DWCP of Timor-Leste contains elements of both short-term and long-term measures. And considerable efforts have been made to design measures in such a way that their outcomes may become sustainable.

The sustainability of the approaches in most outcome areas is anchored in their inclusion in the Strategic Development Plan, other documents such as the National Employment Strategy and the legislation of the country as well as in their structural design.

However, risks relating to sustainability remain in the following areas:

- TVET -- which needs further consolidation, as supported by TESP.
- Direct transfer of trained staff to government budget (SEPFOPE) due to the creation of the Public Service Commission and respectively additional procedures -- which needs additional efforts to secure the transfer.
- Rights-based national labor legislation -- which needs expansion, consolidation, and deepening.
- Institutional capacity of employers' and workers' organizations -- which need expansion, consolidation, and deepening



## 6 PROGRESS TOWARDS DWCP OUTPUTS AND OUTCOMES

### **Preliminary remarks on rating progress and scale used**

The terms of reference request an assessment of the progress of the DWCP towards outputs and outcomes with data-supported evidence and using the scale and matrix provided in the terms of reference for this assignment, including the assessment of milestones set for the 2008-09, 2010-11 and 2012-13 biennia. Given the technical issues related to the scale proposed in the terms of reference that have been described in Annex A3 to this report (q.v.), the review team has used a different scale in order to assess the progress made during the implementation of the DWCP for Timor-Leste. When it comes to the separate assessment of the achievement of milestones set within the ILO biennia, it is directly based on the reporting that has occurred.

This implies that any ratings "computed" from this assessment will not be comparable to other assessments. Insofar ratings from other assessments are effectively also not comparable to each other, this does not have any effect on the technical validity of this review. At the same time, the result of this assessment is most likely to be better explained because the ratings are based on a specific and explicit rating grid developed during the course of the field assignment.

This section reports on the results of the rating exercise undertaken by the review team. Several observations, beyond the issues concerning the rating raised in Annex A3, may be in order to clarify the results of this exercise.

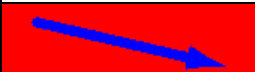

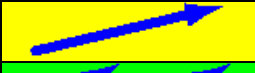
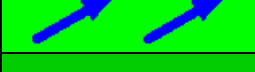
- Neither the specific meanings of the ratings in DWCP nor the weight<sup>44</sup> of specific performance areas for a "summary", "combined", or "total" rating have been agreed at the ILO to this date. The report therefore consciously avoids establishing any numerical scores for the achievements made under each priority and each outcome of the DWCP in Timor-Leste.<sup>45</sup>
- Given that indicators have not been specified at the level of the priorities in Timor-Leste's DWCP, no attempt is being made to rate at that level. What applies to weights for a "summary" rating, as in the preceding paragraph, also applies to weights of different outcomes under any "priority" rating.
- For ease of reading, symbols used in European quality management assessments have been adopted in this DWCP review to illustrate the respective ratings. The general meaning of the symbols used is explained in the table below. Usage of these symbols does not mean to suggest that they are the best to use. Neither does the review team suggest that ILO should adopt European models of quality management.

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<sup>44</sup> Weighting is by no means an easy task, especially when there are trade-offs between performance areas. For example, where a high speed and effectiveness in the use of outputs is important, efficiency in delivery of outputs may be less important, and that should normally be reflected in a weighting.

<sup>45</sup> The potential fallacies that would result from computing any numerical results are thus left to the scrupulous reason of the "numbers" enthusiasts among the readers.

**T.1 Symbols used in European quality management ratings**

Code	Symbol	General meaning
1	0	No measurement and / or no information available.
2		Measurements show negative trends and / or relevant performance targets not achieved.
3		Flat trends and / or some performance targets achieved.
4		Improving trends and / or most performance targets achieved.
5		Trends show substantial increase and / or all performance targets achieved.
6	+	Sustainability is achieved. All performance targets are achieved.

Based on *EIPA (2006)*.

- DWCP are as different as the countries that they have been designed for. It is therefore doubtful if any comparison between DWCPs is technically valid. This may even hold for fairly standardized and comparable outputs such as roads built with labor-based methods because local circumstances (including material and human resources) may vary considerably between different (and even within) countries. It is therefore, at this time, rather unclear how such ratings could be meaningfully used to compare (the implementation of) DWCPs.<sup>46</sup>
- While the team was fully able to jointly agree the rating for the different outcomes of the DWCP during the mission in the field, the consultant writing up the report made slight modifications following the feedback received and information obtained during and after the stakeholder workshop. These modifications did not change the (unanimous) general findings of the review team which essentially remain unchanged. (The report writing consultant takes the responsibility for the final rating.)
- Facts and figures presented here directly draw on the preparatory work of the ILO team in Timor-Leste for the DWCP review. They have been selectively probed and discussed with the different stakeholders during the field mission. The review team has no reason to doubt that any of the facts and figures are erroneous or misrepresent the current status.

<sup>46</sup> Even if DWCPs were comparable, there is considerable scope in gauging target indicators that may lead to distorted comparisons. For example, in one country, targets may have been set to induce stretch on all stakeholders whereas, in another country, target indicators may have been set realistically or even hung low in order to reduce over-expectations.

## Overview of DWCP ratings

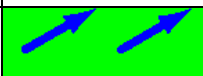
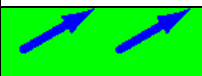


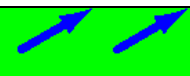
### T.2 Overview of DWCP ratings

Performance area	A. Resource adequacy	B. Delivery of outputs	C. Use of outputs by partners/ target groups	D. Progress made against outcome indicators	E. Measures in response to risks and opportunities
<b>A Enhancing Youth Employment</b>					
Youth-focused socio-economic development policies and programmes formulated and implemented [TLS101]					
Key labour market information system supporting social and economic development policy and programme process [TLS102]					
Improved quality and relevancy of skills training courses by public and private training institutions [TLS103]					
<b>B Integrating Employment into Rural Economic Development</b>					
More employment generated by rural infrastructure investment programmes [TLS176]					
More and better services to improve micro and small enterprises in rural areas [TLS177]					
<b>C Creating Labour Market Governance [TLS125]</b>					
Right-based national labour legislation in force [TLS126, TLS127, TLS826]					
Increased institutional capacity of employers' and workers' organisations to participate effectively in social and labour policy process [TLS801, TLS802]					
<b>D Promotion of gender equality and tripartism, and institutional capacity building are cross-cutting themes in the above programme priorities and outcomes.</b>					

(cf. discussion p.69ff.)

## A Enhancing Youth Employment

### Youth-focused socio-economic development policies and programmes formulated and implemented [TLS101]<sup>47</sup>

Performance area	A. Resource adequacy	B. Delivery of outputs	C. Use of outputs by partners/ target groups	D. Progress made against outcome indicators	E. Measures in response to risks and opportunities
Rating					

It was possible for ILO to mobilize substantial resources for supporting youth-focused development policies and programmes in the current environment in Timor-Leste. In particular the STAGE and YEPP technical cooperation projects provided the basis for the implementation of measures under this outcome to be sufficiently resourced.<sup>48</sup> Resources met all needs, and there are government resources available to sustain results.

As far as the delivery of outputs is concerned, all relevant outputs were delivered.

- A draft National Employment Strategy (NES) was developed and endorsed by the Secretariat of State for Vocational Training and Employment.
- Operational guidelines of the Employment and Vocational Training Fund (FEFOP) were revised and adopted by the government. New guidelines promote increased access of youth to working experience programmes, wage employment, and self-employment. USD 1 million were invested by the government into the FEFOP which indicates that the models created are meant to stay.<sup>49</sup>
- A network of 6 Employment and Career Guidance Centres (CEOPs) was created covering 6 districts, to assist young women and men in the access to labour market information, career guidance, employment mediation, and self-employment opportunities. The Strategic Development Plan foresees the expansion of the CEOP network to all the 13 districts of Timor-Leste until 2015.
- During the period under review, the programmes implemented by the government, with the ILO's assistance, and funded through the FEFOP, provided career guidance to 8,410 clients (youth 84%, women 49%) of the CEOPs, successfully mediated wage employment placements for 804 job seekers (youth 70%, women 21%), and generated temporary employment for 53,750 people (youth 40% and women 29%) living in rural areas.

<sup>47</sup> Also: "Government of Timor-Leste implements youth-focused socio-economic development policies and programmes."

<sup>48</sup> Some aspects of the STAGE-YEPP-TESP project sequence remind of the camel's nose approach. However, this certainly has not been to the detriment of the DWCP and the achievement of DWCP outcomes.

<sup>49</sup> At the time of the DWCP review, it appears FEFOP guidelines were being revised again to reflect changing needs and targets and to improve function.

- SEFOPE created a Media and Information Office and established agreements with local newspapers for the dissemination of information on the SEFOPE labour market programmes and services. Media tools, including sets of posters and leaflets were developed and widely disseminated to promote the services of the CEOPs in articulation with the career guidance, labour market information, skills development and self-employment promotion. Signboards were also installed in all the CEOPs to allow appropriate posting of the job and training opportunities available at the local level.

When it comes to the use of outputs, all relevant outputs are being used and the use of outputs appears to be sustainable. SEFOPE uses CEOPs' information to connect youth to training measures, to employment opportunities funded through the FEFOP, and to national and overseas employment opportunities.

The performance targets under this outcome have generally been achieved.

- While only half of the anticipated districts have seen the establishment of CEOPs, there is a reasonable expectation that the other districts will be served by 2015. Even with the current smaller outreach, the target number of beneficiaries has been almost attained (90%).
- The share of female beneficiaries varies between 21 and 49 percent of the total, depending on the service, and the respective target indicator (50%) has therefore not been fully achieved. Given that the baseline was "0" for most of the services as they had not yet been established, it is a little too early to verify any trends (as "increased share of females"). The efforts to involve female beneficiaries at all levels are well documented, and need to continue.
- It is unclear whether the target values of the indicators were set in a realistic fashion and therefore also whether higher values could have been achieved in practice. The YEPP project which supported this outcome was, by design, rather broad in scope and therefore probably not as effective as if it had had more focus. However, the options for limiting the focus during the initial phase of institution building in a new nation themselves are limited, and stronger focus would have probably led to an under-utilization of project resources due to limited absorption capacities of the individual units at the counterpart end.






While all opportunities that were available seem to have been seized by ILO, sustainability, at this stage, still remains at stake. Capacity of CEOP staff is considered to be low, particularly in the districts, and not enough is done at this stage to engage local industry or to connect clients to local employers. It is also unclear how attractive registration for youth with CEOP will remain in the future if the discrepancy between jobs offered and jobs searched remains substantial in the long run, and the likelihood for initiating a career by engaging with the CEOP is limited.

Further suggestions for follow-up by ILO include

- the development of NES action plan 2013-2015 to implement key policies and actions

- establishing of new CEOPs in 4 priority districts to accelerate the outreach of services
- up-grading of career counseling training and delivery to ensure that young people receive better career advice
- increased focus on the professional development of CEOP staff, particularly with regard to developing links to industry
- revision of FEFOP guidelines to reflect changing needs and targets and to improve function, possibly with some additional training and guidance on concepts of, setup and management, of support funds

**Key labour market information system supporting social and economic development policy and programme process [TLS102]<sup>50</sup>**

Performance area	A. Resource adequacy	B. Delivery of outputs	C. Use of outputs by partners/ target groups	D. Progress made against outcome indicators	E. Measures in response to risks and opportunities
Rating					

This outcome has also benefited from funding under technical cooperation and it is therefore fair to say that some needs have been met. Compared to the encompassing needs of a nation building exercise, these resources have not been fully sufficient, but provided for a good start. There are issues concerning the financing of surveys including sample surveys (partially solved by cost-sharing for the moment). Human resources also need to be further developed and strengthened to ensure sustainability of results.

Most of the outputs that have been planned under the DWCP 2008-2013 have been delivered. These include

- The labour force survey 2010 which was the first of its kind in Timor-Leste. Data from the labor force survey have been used for reporting on MDG indicators related to employment (1.b). These will be updated after the labor force survey 2013 (work in progress at the time of the review).
- The Labour Market Information Unit in SEPFOPE is collaborating with the Directorate of Statistics (DNE) to undertake the current labor force survey. Collection of data began in June 2013.
- Several short reports including KILMS have been prepared using the results of the labor force survey in 2010, and leaflets that can be distributed have summarized relevant aspects for job seekers.

The labor force survey 2010 data has already been used for reporting on MDG indicators related to employment. The labor force survey has also become a

<sup>50</sup> Also: "Labour market information system guides social and economic development programme formulation and implementation."

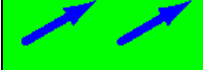
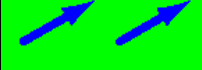



reference point and source in important national documents such as the Strategic Development Plan 2011-2030. It is therefore fair to conclude that the outputs under this outcome are being used.

Most of the outcome is achieved considering the reasonable progress made towards the establishing of an LMI system within SEPFOPE. Targets set have been realistic and have been met.

Nevertheless, resource risks need to be addressed by securing continuous funding. The role of the LMI Unit within SEPFOPE also has not been fully articulated and the unit therefore remains somewhat in a state of limbo. There are signals that the LMI Unit will be transformed into a directorate with well-defined functions and an annual allocation of funding. Once that happens, the conditions are ripe to elaborate a long-term capacity development plan for this unit.

Besides assisting with the current labor force survey, ILO follow-up is suggested to encourage and support the establishment of the LMI and Work Force Planning Directorate within SEPFOPE. There are also opportunities to design and implement sectoral studies.

#### **Improved quality and relevancy of skills training courses by public and private training institutions [TLS103]<sup>51</sup>**

<b>Performance area</b>	A. Resource adequacy	B. Delivery of outputs	C. Use of outputs by partners/ target groups	D. Progress made against outcome indicators	E. Measures in response to risks and opportunities
<b>Rating</b>					

This outcome has received substantial funding under technical cooperation projects (STAGE, YEPP, TESP), and all needs that may currently be addressed, given existing absorption capacities, have been met.

All relevant outputs have been delivered. The following points describe the main achievements to date.

- A National Vocational Training Policy was approved by the Council of Ministers focusing on the quality and relevance of vocational training and highlighting the goal of a "market-oriented, efficient and accountable" vocational training system prepared to create a competent workforce to meet national development priorities. The policy promotes competency based training and ensures that all certification, whether a national qualification or institutional certificate, will describe the competencies achieved as a result of the training.

<sup>51</sup> Also: "Public and private skills training providers implement a competency-based training system."

- The INDMO (National Labour Force Development Institute) was created as the main institution to implement the National Vocational Training Policy. The policy advocates that learners must demonstrate to the standards established by INDMO and be assessed by qualified trainers. Trainer qualifications will be determined by INDMO and form part of the quality standards for the registration of vocational training providers. Finally, the National Vocational Training Policy recognises the role of the government, the private sector and the individual in funding vocational training with government having a principal role to play.
- INDMO Internal Regulations were approved by the Ministerial Diploma 1/2010 and published in the Jornal da República (government gazette, official journal).
- A National TVET Plan (NTP) was developed in joint collaboration between the ILO and SEFOPE. The NTP was approved by the Council of Ministers in May 2012 and outlines specific needs of rural communities, focusing particularly on district skill needs analysis; greater participation of rural and remote communities in skills development through accessible training; and a greater focus on building industry partnerships in rural areas.
- Impact assessments were conducted for the vocational training and self-employment promotion components.
- With project assistance, self-employment programmes targeted rural youth and women based on data from the SIMU data base and through the district CEOP centres counselling services.
- In line with the NTP, work has commenced on undertaking industry and skills analyses in the 13 districts of Timor-Leste. These analyses, combined with other LMI information, including LFS and census data, will provide the framework for providing targeted training and employment services to the districts.
- In the beginning of 2011, the first Timor-Leste National TVET Certificate was delivered by a registered training provider, accredited by INDMO against the national standards. This achievement is a significant milestone in the development of the TVET system. It not only represents the final result of a strong and productive partnership between industry, training providers, SEFOPE and INDMO, but the first full test of the new TVET system.
- In order to achieve this milestone all components of the TVET system needed to be in place and operational. These components include registration and accreditation standards written, endorsed and implemented; qualification certification rules and processes endorsed, operational, and understood by all stakeholders; appropriate Industry Sub-Commission established and functioning; training provider(s) registered and with capacity to meet accreditation standards; INDMO program staff with skills and knowledge to support accreditation reviews and conduct qualification validation and certification processes (at this stage still supported by international TVET advisors); and all critical quality assurance policies and practices in place.
- National Accredited Foundation courses have been developed and are being rolled out across Timor as a direct response to creating greater career opportunities for out-of-school rural youth through skills training. Foundation courses act as a conduit to employment and higher level accredited training by combining classes in language and numeracy proficiency; work readiness; personal preparedness; and vocational training in targeted areas. Foundation course graduates are able to look directly for waged employment, can go onto higher level accredited training or, can undertake small business training to start their own business.



- A total of 143 proposals were approved and funded by the FEFOP, including 22 for vocational training, 39 for working experience, 25 for internships, 11 for on-the-job training, 27 for training providers capacity building, 10 for business training, and 9 for self-employment (each covering several districts). This corresponded to a total investment of USD 1.3 million, out of which USD 1 million was provided by the government with the remaining being supported by the ILO Programme.
- All in all, the approved proposals organized vocational training courses for 2,623 participants (youth 81%, women 45%), work experience programmes for 762 participants (youth 92%, women 39%) business training courses for 1,673 graduates (youth 51%, women 77%), and provided business start-up support to 1,437 beneficiaries (youth 44%, women 85%).
- A total of 3,280 illiterate women and men (youth 66% and women 60%) participated in literacy and numeracy courses.
- Access to the Youth Employment Fund (FEFOP) and career guidance through the Career and Employment Centres (CEOPs) in six districts has played an important role in ensuring positive post-training outcomes for graduates of training. Assistance has included internships; additional technical training; access to small business development training; and access to micro finance start-ups.
- 1,859 trainees, predominantly youth, enrolled in accredited CBT training (across six districts) with a graduation rate of 93% (by end of 2012)
- 20 training providers accredited to deliver national qualifications (in areas such as general agriculture, food production, masonry, plumbing, carpentry, electrical, metal fabrication and welding, automotive servicing, hospitality, tour guiding, administration, financial services)

All relevant outputs are being used and the use of these outputs is likely to be fully sustainable. The NTP is guiding the development of the SEPFOPE and INDMO five-year plans. All regulatory TVET processes have been adopted by the INDMO, and the training providers are using these resources.

All outcomes targets have been achieved. Skill standards have been specified in 8 priority industry sectors (target: at least 4), and 20 training providers have been accredited .

While some risks are being addressed, some potentially remain:

The Government of Timor-Leste has generally committed to funding TVET training over the next 15 years. However, it is essential that funding is consistent in order for training providers' activities to remain financially viable. At this point in time, the training is not yet entirely linked to market needs due to lack of better LMI. The training system itself is still in its infancy and will need external support during the next five years of growth and expansion.

Suggestions for follow-up by ILO include

- developing an action plan and implementing stage one of the NTP
- expanding INDMO's role to cover the development of the Department of TVET to ensure that principles of gender inclusivity, disability awareness, OHS and

- environmentally sustainable work practices are mainstreamed in all aspects of training development; develop and deliver language and numeracy learning across all qualifications; to train trainers; and to train teacher trainers
- delivery of foundation level and certificate-1 level qualifications in 13 districts
  - assessment and up-grade of over 300 certified trainers in Timor-Leste at a pedagogical and technical level
  - link training to market outcomes through the newly instituted Directorate of LMI.
  - develop a new funding model for accredited training

Developing a national vocational training system (from scratch) in a country with a, currently, low level of education and an essentially rural economy is a long-term process cannot possibly be accomplished within the framework of a single DWCP. ILO and SEPOPE, with the generous support given by several donors, have gone a long way in establishing the basic framework for such a system as a necessary prerequisite for improving the quality and relevance of skills training in Timor Leste.

The approach selected was embedding technical assistance into the newly created institutions (or rather into an environment where new institutions were being created). The concern for dependence on international experts raised in evaluation reports,<sup>52</sup> while certainly legitimate in the context of aid effectiveness discussions, appears to be premature in this case given that the expert team deployed is making conscious efforts to transfer knowhow to counterpart staff, and that counterparts are visibly and increasingly seizing responsibilities during this development process. They have become competent and articulate, and only now are in a better position to steer the further development of the system. However, even this development will need further support.

While it may seem, in the usual ILO context, that the approach was comparably "expensive" or "heavy",<sup>53</sup> it was probably the only approach that was genuinely feasible in the given circumstances, bearing in mind the outcomes (to be) achieved. It should not be forgotten that TVET projects can actually be much "heavier", in particular when they contain budgets to procure significant amounts of equipment and construct training centers (which is not uncommon in practice and often enough justifiable).<sup>54</sup>

Foundation work needs to be solid, not fragile. Any alternative "lighter-weight" approach would not have led to the similar results.

The final evaluation of the YEPP program, nevertheless, has asked one very pertinent question, namely, why no feasibility studies have been conducted for this type of a project. Independent of the successes achieved, feasibility studies usually provide information that allow us to discuss different alternatives for dealing with a specific problem, information that may improve project design from the outset and set us on a faster track.

<sup>52</sup> Cf. YEPP Final Evaluation: 39.


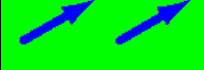
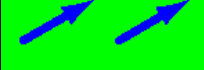


<sup>53</sup> Cf. YEPP Final Evaluation: 32.

<sup>54</sup> Working in parallel with informal types of community training as has been suggested would have been inconsistent and would have sent the wrong signals. With a view on short-term (and most likely short-lived) effects, it would have been possible to create a further initiative. But that probably should have come under another roof.

At the same time, it needs to be acknowledged that development work, particularly in a complex nation-building process, even when it is based on (formally planned) projects, is an iterative process that, unless it incorporates the flexibility for all stakeholders to learn and grow, is likely to fail, and its appraisal therefore cannot be reduced to a mere box-ticking exercise. Similarly complex programs in the future should therefore not hesitate to rely on embedded TA as an investment into local capacity and ownership while continuously withdrawing as local capacity created is able to assume responsibility for the tasks at hand.

## B Integrating Employment into Rural Economic Development

### More employment generated by rural infrastructure investment programmes [TLS176]<sup>55</sup>

Performance area	A. Resource adequacy	B. Delivery of outputs	C. Use of outputs by partners/ target groups	D. Progress made against outcome indicators	E. Measures in response to risks and opportunities
Rating					

While the needs for infrastructure development in Timor-Leste seem to dwarf any amount of resources that may possibly be made available by ways of implementing a DWCP,<sup>56</sup> all needs for the spearheading work made under this DWCP have been met and resources are available to sustain results. Funds mainly have come and are coming from three technical cooperation projects (TIMWORK, ERA, R4D) with a combined budget of USD 38.9 million during 2008-2013.

While the AusAID contribution to R4D is confirmed, there is still some uncertainty about the expected contribution by the Government of Timor-Leste. ERA is funded by the EC Rural Development Program IV (Component 2).

Actual investment costs in rural road works appear to be significantly higher than initially estimated, and physical targets therefore have to be adjusted. On the other hand, the key role of ILO in the context of infrastructure cannot be to finance the delivery of the physical targets set, but rather is meant to assist the government of Timor-Leste in developing sustainable approaches to implementing labor-based or labor-intensive infrastructure works. To achieve this purpose, funding may be considered to be fully sufficient.

All relevant outputs under the DWCP have been delivered. An overview highlights to following

<sup>55</sup> Also: Enhanced rural employment, safety net, and economy through infrastructure investment, livelihoods programmes, and business development support.

<sup>56</sup> A DWCP that in terms of volume, itself, seems to dwarf any other DWCP in the region.

- A Short Term Employment Creation Department of SEFOPE, established with the technical and financial support of the ILO, is fully capable of managing large scale labor-based works programmes and has gained substantial experience throughout the course of the DWCP.
- The 2011-2030 Strategic Development Plan of the government has adopted a strategy of using labour-based methods in improving the country's rural road network, thereby optimizing the scope for creating additional employment opportunities for the rural population from road works.
- The employment content in infrastructure works is one of the indicators reported under the national priorities working groups and is expected to continue to be referred to as the SDP working groups are established.
- Timor-Leste's leading national rural roads program, has incorporated in its design the use of employment-intensive approaches and a comprehensive social safeguards framework, reflecting key elements of the ILO's Decent Work Agenda.
- Capacities of local private sector contractors to implement labor-based road works have been built, including training on the Decent Work Agenda (including rights, skills, entrepreneurship and OSH
- establishment of a labor-based training section at the Don Bosco Training Center, largely managed by staff recruited by the center
- development and certification of the technical training module delivered by Don Bosco Training Centre ("National Certificate in Labor-based Technology, LBT, for Rural Road Construction") by INDMO; with Don Bosco accredited by INDMO.
- training of trainers for 6 Don Bosco trainers who have achieved level 3 (required to deliver certified training)
- certification by INDMO of the business management training module, delivered by IADE ("National Certificate in Management of Small Construction Bids and Contracts")
- developed and agreed procedures for identification of trainee contractors
- completion of 3 training batches of 10 companies
- trial contracts for the first 2 batches ongoing with contracts for the third training batch issued and works beginning to be mobilized
- application of ILO FIDIC short form of contract, including particular conditions suitable to the Timor-Leste context, as a means to ensure adherence to proper procurement procedures (note: R4D cannot draw on this and still needs to develop a suitable solution for MPW contracts.)
- delivery of technical training for 15 companies from the Business Women's Association, at their specific request (excluding trial contracts); furthermore, 3 batches trained on a commercial basis for contractors under R4D
- development of a "community snapshot" approach to impact assessment to compare the "before" and "after" situations<sup>57</sup>
- procedures have been developed and agreed for road selection, and 75 km of rural roads have been identified and assessed in detail.
- completion of rehabilitation of a first road section (14 km); other 40 km on-going by working with 20 trained contractors on trial contracts; another 10 trained contractors with awarded trial contracts of a total of 20 km
- designing of road works, prequalification of contractors, training of field-based staff of the Ministry of Public Works, and preparation of a 5-year action plan for MPW, including tendering templates, etc.

<sup>57</sup> A good start which hopefully later will be used to determine the "without project" and "with project" situations for proper impact assessment (which, figuratively speaking, needs to compare moving pictures, not stills).

All relevant outputs in this outcome are being used and the use of outputs is generally sustainable. This is foremostly visible from R4D being designated as the government's leading national rural roads program.<sup>58</sup> But the sustainability is much more rooted in

- the use of a prepared 5-year action plan for the 2013-2017 programming of funding by the MPW
- the application of imparted skills by MPW staff during the preparation of the 2013 road works programme
- the use of developed standards and specifications, including social and environmental safeguards, and a task-work based payment system, in rate analysis and tendering
- the ownership and usage of training manuals and trainer's guides (on labor-based road construction, pricing for rural road works, and labor-based road maintenance) by the Don Bosco Training Center
- the delivery of technical training for selected companies by the trained Don Bosco trainers

When it comes to DWCP outcomes as per indicators, the achievement of the outcome target is doubtful from figures reported. Under TIMWORKS 417,136 worker-days had already been created by September 2009. Under ERA, however, worker-day targets are to be revised as only 41,299 worker-days had been created by April 2013 because the underlying assumptions regarding different cost factors did not bear out. Under R4D worker-days as such are not part of the project outcome performance indicators.

The question needs to be raised, however, whether the indicator selected to measure performance for this outcome was well chosen. Whether the indicator has been well chosen depends on the core interests the constituents of ILO are pursuing when seeking more employment generation from rural infrastructure investment programmes.

- If the primary objective is to maximize the short-term employment effect of public works, then the indicator would be fine. Rather than developing the local small scale construction industry first, in an effort to build competitive markets,<sup>59</sup> other strategies for implementing labor-based or even labor-intensive works could come to play. In fact, creating a total amount of 400,000 worker-days per year (or an equivalent of 2,400,000 worker-days respectively 11,000 full-time equivalents over a period of 6 years) would probably neither be considered efficient nor highly effective. Held against the technical cooperation resources flowing into the respective projects during the 2008-2013 period (ca. USD 32 million, without counting any government contributions), that would imply a cost of USD 13 per

<sup>58</sup> There are still sufficient rural roads to be built to avoid disputes in administrative territory between FEPFOPE and the MPW. Clearly, rural roads should be under the responsibility of the MPW, and FEPFOPE should ideally move on to spearheading other areas of labor-based infrastructure works.

<sup>59</sup> *McCutcheon (2008)*: 6, for example, argues that the "fashion" to develop small contractors only complicates things: "Regardless of the construction methods employed, the complexity of contracting is rarely appreciated. The failure rate of small contractor developing programmes is very high. The supposed link to labour-intensive methods leads to misapprehension of the reasons for failure; even to demands for greater use of equipment."

worker-day created while the wages to be earned amount to only USD 2-6 per day, depending on the qualifications required.<sup>60</sup>

- On the other hand, should labor-based approaches to public works remain important for Timor-Leste in the long run because we can already foresee that not all labor supply will be absorbed by newly emerging economic activities in the private (e.g. industry, services) sector, then the current approach to developing the local construction industry and the procedures for labor-based public works may be the most effective approach because it would, on a continuous basis, generate an additional number of worker-days per year on top of what would have been generated otherwise with the same amount of public funds. This additional amount of worker-days, per currency unit of investment, created would be a more appropriate indicator for describing the effectiveness of the approach than the total amount of worker-days created.<sup>61</sup> This approach would be more holistic and sustainable in the longer term.

This underlines the importance of a proper discussion and occasional review of appropriateness of targets agreed for DWCPs. It also highlights the risk that a mental substitution of an outcome by its indicator may entail. From the perspective of the review team, the outcome achievements are acceptable if the long-term perspective is sustained by the ILO constituents in Timor-Leste.

While certainly, all opportunities seem to have been seized that donor development support to Timor-Leste is offering for more employment generation by rural infrastructure investment programmes, there are risks remaining that should not (and are not being) overlooked. For example, many local contractors lack basic construction equipment to support the rural road construction work. Here economies of scale (regarding equipment purchase) possibly are in conflict with maximizing the development of local contractors.<sup>62</sup> As to the MPW, both human and financial resources seem to not have been fully allocated as yet by the Government of Timor-Leste. There also appears to be a certain lack of coordination between different Government entities regarding the responsibilities and roles for the development and maintenance of rural roads in Timor-Leste which should be removed both to avoid potential duplication and conflicts of road work planning and implementation and to maximize the benefits from complementary works (coordinated development of different level road networks).

The labor-based approach generally seems to have government support. However, one main challenge relates to the funding of the Short Term Employment Creation

<sup>60</sup> It is fully acknowledged that new impact indicators were developed with new projects negotiated (ERA, R4D), and this is fine. Also, it is useful to document the wider effects of the projects, including asset creation and capacities built, as well as the leveraging of government funds. On the other hand, no corresponding changes were made to the DWCP that the review was asked to review.

<sup>61</sup> Note that sometimes it may be important to include the calculation of forward and backward employment effects or other employment impact to obtain a complete picture of the employment effects of the public works. Besides this, "income generated" usually captures more benefits than "employment generated". (In both the ERA and the R4D project broader views of rural economic development, including the generation of income and not merely employment, is explicitly included.)

<sup>62</sup> A related problem is predictable for efforts at decentralization. For an economy and a territory of the size of Timor-Leste, it may not be viable to decentralize public works, particularly where the districts' own resources are rather limited. Deconcentration, if at all, may be the better alternative. That does not go against involving local communities and ensuring that they reap a maximum share of benefits.

Department of SEFOPE by the government. So far, despite commitments vis-à-vis ILO, staff of the department have actually not yet been employed by the government. There are two major factors at play in this context.

- On the one hand, the newly created Public Service Commission has introduced measures that are meant to streamline recruitment procedures in Timor-Leste's public service, of which the SEFOPE is an integral part. This complicates the transfer of staff that has been previously financed by project funds to SEFOPE because it adds a layer of scrutiny to the recruitment process. It should, however, be a manageable issue as long as the job descriptions of SEFOPE properly specify the experience required for the jobs at the Short Term Employment Creation Department.<sup>63</sup>
- On the other hand, there is a risk that the Short Term Employment Creation Department of SEFOPE is increasingly perceived to be occupying bureaucratic territory of other public sector organizations, in particular the Ministry of Public Works. This may lead to unnecessary strains in relations and be counter-productive for achieving the objective of effectively applying labor-based technologies in construction that should be avoided.<sup>64</sup>

One option for doing so would be to venture into new areas of public works that are going to see substantial public investments in the future, e.g. rural water supply. The department could pilot labor-based approaches in these other areas and establish itself as a spearhead for developing the best approaches which then are spun off and streamlined in those ministries or agencies, at national or decentralized levels, that are responsible for the respective area of public works.

Other suggestions made for follow-up by ILO include

- Capacity building of MPW, including institutional capacity building and training of staff
- Development and introducing key system in MPW for planning, procurement, design, cost-estimation, tendering, contracting and implementation of rural road works. These include social and environmental safeguard systems that are integrated in the works process.
- Companies who successful in trial road contract will participate in competitive bidding of ERA road contracts.
- Continue to provide the LBT training for selected contractors for rural road works
- Delivery of investments of rural road works as planned, and scaling up of the road works to increase employment generation in road construction
- Strengthening OSH for labour-based road work

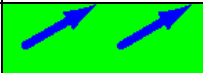
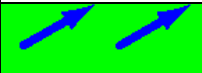
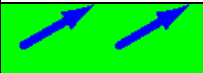

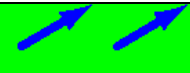
<sup>63</sup> There are, of course, in any large organization, examples where a formal process of recruitment appears to be dominated by a desire to reinforce internal or inter-departmental hierarchies and procedures instead of capturing the best-possible staff for a given position. On the whole, the introduction and enforcement of impartial, merit-based recruitment procedures, however, is bound to be a stabilizing factor for developing a public sector that is reasonably impregnated against collusion and effectively seeks to serve the public interest.

<sup>64</sup> There is no intention here to advise the Government of Timor-Leste on how to best define the boundaries between different government organizations. This is entirely the responsibility of the Government. However, the institutional overlap is apparent and therefore needs to be raised from the technical point of view.

- Continuing coordination with different government agencies and donors, in particular the National Development Agency and ADB, to ensure that there is good coordination of road programmes despite a certain overlap of targets

### More and better services to improve micro and small enterprises in rural areas

[TLS177]<sup>65</sup>

Performance area	A. Resource adequacy	B. Delivery of outputs	C. Use of outputs by partners/ target groups	D. Progress made against outcome indicators	E. Measures in response to risks and opportunities
Rating					

All needs for achieving this outcome have been met and resources are available to sustain the results. This outcome has benefited from resources mobilized by negotiating the STAGE and BOSS technical cooperation projects (USD 9.8 million during 2008-2013).

All relevant outputs have been delivered, among which

- three sectors/ value chains (beef cattle, horticulture, and tourism) were assessed to have the greatest potential to generate jobs and income in Timor-Leste rural areas.
- The subsequent analysis of the value chains enhanced the understanding of the functions and players within the value chains and revealed a number of constraints that impede the development of the sectors.
- Selected interventions address the identified critical weaknesses to build the capacity within the system to enable key players to become more effective for the benefit of the sector as a whole.
- The BOSS Project has facilitated and supported the following:
  - a public-private-partnership between the government/ owner of the national abattoir and a private company/ operator
  - the establishment of standards for the abattoir and training of butchers in modern and hygienic slaughtering and butchering techniques
  - the establishment of the first modern butcher shop in Dili and the marketing of its products
  - the enhancement of skills of “Village Livestock Workers” to provide better treatment, vaccine, and training to cattle farmers
  - contract farming arrangement between a private start-up company and currently 50 horticulture farmers, and expansion to new sites. The company provides input supply, technical support and marketing services to the farmers.
- As a result of the interventions in the two sectors Dili now for the first time has regular supply of hygienic local beef and fresh, organic vegetables.

<sup>65</sup> Also: More and better business development services in rural areas.



- With ILO support IADE and its CDEs (Business Development Centres) have become the primary business development service provider in Timor-Leste
- Significant efforts went into improving the skills of IADE's trainers. New business management courses as well as sectoral adaptations (most notably an adaptation for civil works contractors and one for alternative energy products) have been developed and added to IADE's range of courses offered. In January 2012 IADE became accredited as a national training provider by INDMO, and currently two courses (IYB and the contractor course) are offered with certification as per INDMO's national qualification framework.
- To date, IADE has a pool of 17 trainers (3 females) who hold National Certificate Level III for Training and Assessment while 11 trainers hold certificate of Level IV for Advanced Training and Assessment. A total of 1,939 IADE clients (56% women) were trained during 2011-2012.
- The State Secretary for the Support and Promotion of the Private Sector and its operational arm IADE are at the forefront in the implementation of national programmes supporting enterprise development in key economic sectors in Timor-Leste rural areas.
- IADE now provides entrepreneurs with a range of services that go beyond the traditional business management training. Among them, IADE's offer of services to micro and small enterprises includes
  - Business information provision
  - Business matchmaking services to link buyers and suppliers through personal meetings or events
  - Business-to-business trade fairs
  - Business plan competitions
  - Market assessment
  - Value chain research
- IADE, with the assistance of the ILO, also focuses on supporting existing and potential MSEs in other economic sub-sectors, such as salt production and aquaculture, contributing to a paradigm shift from informal and subsistence types of production towards a more market-led and professional "micro industry".

All relevant outputs are being used and the use of outputs is considered to be sustainable. The embedded approach of the BOSS project inside the national counterpart has ensured that outputs are fully owned and used by IADE.

When progress is measured against the selected outcome indicator, the numerical target has not been achieved with CDEs only present in 9 out of 13 districts.<sup>66</sup> The outcome is nevertheless not to be underestimated in the context of Timor-Leste and it is reasonable to assume that the target value of 13 districts will be reached in due course. (Arguably, it may even not be efficient to create CDEs in each and every district, especially those closer to Dili, and IADE is already catering to businesses in all 13 districts.) The approach chosen in this area is very much in line with good practices and the potential for sustainability is high.

It is fair to say that all available opportunities for creating more and better services to improve micro and small enterprises in rural areas have been seized by ILO. The environment is, nevertheless, still rather fragile for private sector enterprise

<sup>66</sup> Ainao, Baucau, Bobonaro, Covalima, Dili, Ermera, Lautem, Oe-Cusse, Viqueque.

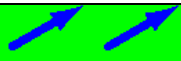
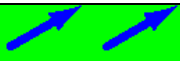

development. The market as such remains small and fragmented and purchasing power with half of the population under the poverty line is limited. Local production cost are comparably high and quality is relatively low while competition from imports is strong. Also, there are risks of collusion and corruption emerging in Timor-Leste's tightly-woven fabric of interpersonal relations that are yet to be overcome or kept in check.

Suggestions for further activities by ILO include:

- Scaling up of the work on value-chain development in the cattle, horticulture, and tourism sectors
- Introduction of a business innovation facility in the IADE portfolio
- Rolling out of business matchmaking services in all districts
- Sectoral adaptation of business management training material
- Exploring the potential for developing a value chain in the area of fish and fishery products for the local market<sup>67</sup>

## C Creating Labour Market Governance [TLS125]

**Right-based national labour legislation in force [TLS126, TLS127, TLS826]<sup>68</sup>**

Performance area	A. Resource adequacy	B. Delivery of outputs	C. Use of outputs by partners/ target groups	D. Progress made against outcome indicators	E. Measures in response to risks and opportunities
Rating	+	+			

Current needs have all been met, and resources are available to sustain results. The needs have been met by funds from RBTC and additional support under the YEPP technical cooperation project.

All relevant outputs have been delivered and may be considered sustainable.

- Within the scope of South-South cooperation, during 2011,
  - meetings with the tripartite Working Group on Child Labour led to the finalization and endorsements of the ToR of the National Commission Against Child Labour

<sup>67</sup> Admittedly, at the risk of overreaching when concluding on the basis of a short DWCP review mission.

While the complexities of fishery and fish distribution are not to be ignored, it is unclear why an island economy in need of valuable protein diets to feed a poor and growing population should not expend more efforts on developing this value chain. The potential benefit derived with regard to MDG 1 certainly merits an assessment.

Where the fishing business may entail significant risks, cooperative forms of business sometimes provide feasible alternative management models. This would open opportunities to involving the Cooperatives branch of the ILO Enterprises Department, and to collaborate with FAO. Markets for fishery products do not limit themselves to individual consumers, but could even consist of public schools providing a daily meal to students.

<sup>68</sup> Also: Right-based labour legislation and ratification and application of ILS.

- Two seminars involving the 15 identified members of the CNTI were conducted
- the process for the determination of the hazardous list has started. It involves institutions that are members of the CNTI and indirectly build knowledge on Child Labour of these institutions.
- a tripartite mission went to Brazil for experience sharing in the elimination of child labour in November 2011. Key knowledge from Brazilian experiences has been shared and mechanisms and instruments have been identified for their adaptability and replicability in the context of Timor-Leste.
- The new Timor-Leste Labour Code was approved by the Council of Ministers and is being discussed at the National Parliament.
- It has been printed and distributed in 3 languages as a booklet
- ILO supported the participation of government officials in the course on international labor standards at the ILO Training Center in Turin for 2 consecutive years.
- Socialisation taking place in Dili and districts.

All relevant outputs are being used. Labor inspection has been trained and is using the code. However, this obviously is only the first step on a long journey to full implementation.

The envisaged outcome is generally achieved by the indicators agreed. The Government of Timor-Leste has, on 16 June 2009, ratified the ILO Conventions

- Forced Labour Convention (29)
- Freedom of Association and Protection of the Right to Organise Convention (87)
- Right to Organise and Collective Bargaining Convention (98)
- Worst Forms of Child Labour Convention (182)

It has also adopted a new labor code.

As to risks and opportunities, until now, no effective capacity has been established to report on the implementation of the ratified conventions and on the progress towards other core conventions that have not yet been ratified.

It is noteworthy that no further conventions have been ratified over the past 4 years despite the close collaboration between the ILO and the government and the other ILO constituents. There appears to be a view prevailing at the government end that a convention cannot be ratified unless the rights spelled out in the convention have already been fully met and enforced. From this perspective, it may be useful to take up the issue of ratification of further ILO conventions at a higher level when an opportunity arises, and encourage the government to move further along that path, and offering continuous ILO support.

While there have been sufficient resources to achieve the performance indicators in the narrow sense, this outcome could have benefited from more inputs as much as workers' and employers' organizations could have benefited from additional support.



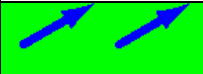

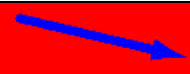
At the time of the review mission in the field, there appeared to be difficulties in speedily accomodating a high-level request for the recruitment of a qualified legal

advisor already acquainted with the local environment in order to work on the guidelines and regulations to implement the labor code. The review team assumes the underlying issues, if any, are being sorted out.

Further action in this outcome area suggested includes:

- writing up the guidelines and regulations that are required to turn the labor code into an operational instrument, enabling labor inspectors to enforce its application and enabling employers to comply
- SEPFOPE needs to be enabled to comply with its reporting responsibilities
- assisting the government in the process of reviewing, understanding, and ratifying the remaining 4 fundamental conventions (100, 105, 111, 138), two of which the government is already considering and a further 4 priority governance conventions (81, 122, 129, 144)

**Increased institutional capacity of employers' and workers' organisations to participate effectively in social and labour policy process [TLS801, TLS802]**

Performance area	A. Resource adequacy	B. Delivery of outputs	C. Use of outputs by partners/ target groups	D. Progress made against outcome indicators	E. Measures in response to risks and opportunities
Rating					

Little organized documentation is available for this outcome. In fact, neither the summary of specific outcome performance profile nor the self-assessment by outcomes submitted by the ILO country office make any reference to this DWCP outcome.

As compared to other outcomes, there were no specific technical cooperation project resources available to support this outcome. During the implementation of DWCP, RBTC core funding minimum of USD 50,000 for the use of Timor-Leste has been always allocated at the start of each biennium in order to carry out priority work for constituents that falls outside TC projects, and has been increased by an additional 20% for the current biennium. According to CO Jakarta, however, in case of last biennium, out of USD 50,000 USD allocated, at the end of 3rd quarter the delivery was only 17%. This may point to either insufficient absorption capacities at the end of the constituents or insufficient capacities with ILO in Timor-Leste and at the ROAP to properly support the capacity building processes.

The achievements in this field have been very much affected by the recency of the foundation of the organizations of the employers and workers in Timor-Leste, including comparably low membership numbers. The employers organization, for example, still does not have a sufficiently developed membership database that would include members outside of Dili and could be used to determine member

needs and facilitate communication. It has no institutionalized knowledge of its membership.

At the outset of the DWCP 2008-2013, the present employers organization did not yet exist. The original counterpart was the Timor-Leste Employers' Forum, regarding which the target indicator was also calibrated. The Chamber of Commerce and Industry of Timor-Leste which now represents the all employers of Timor-Leste at national level and in international exchanges was established in April 2010 only, with support from the IFC funded Better Business Initiative. Current services offered by the CCITL are still limited to lobbying or advocacy activities and networking.<sup>69</sup> This is not unusual in the early stages of an employers organization, but it also means that genuine income-generating service programmes in the strict sense as per the DWCP outcome indicators were not developed so far.

ILO has supported the CCITL since its establishment, e.g. by requiring contractors who wish to obtain government contracts in labor-based infrastructure projects to register as members, by organizing preferential access to services of IADE, and by involving the CCITL in all areas that relate to ILO tripartism. ACT/EMP has supported with several other activities, e.g. development of an investment guide, fellowship attachment programme to VECCI and MEF to learn operation, governance structure, services offered by different departments, and an advocacy workshop to identify priorities.<sup>70</sup>

The workers organization, by contrast, was founded shortly after independence. Its experience so far is limited but growing quickly. At the outset of the DWCP 2008-2013, knowledge about the right to strike, enshrined in the Timorese constitution and in the labor code, was limited and led to confrontations between workers and employers. Industrial action had no small part in clarifying the legal situation, and KSTL's leadership was directly involved when employers asked an ill-informed police force to detain strikers. High profile cases that have established the union as a definite representative of workers interests include disputes with a supermarket, the US mission in Dili, a hotel, and a bank.<sup>71</sup>

In terms of capacities, the KSTL has been able to secure much more support from APHEDA during its formative years than from any other organization, including ILO. KSTL is member and participates actively in a number of tripartite forums established with the ILO support, including the National Labour Board (NLB), the Executive and Industry Sub-Commissions of INDMO, the Executive Commission of the Employment and Vocational Training Fund (FEFOP), and the National Skills, Employment, and Productivity Council.

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<sup>69</sup> Lobbying and advocacy focuses on challenges and impediments faced by importers; business classification; access to finance; unfair competition; uncertainty in land titles; and access to skills and resources.

<sup>70</sup> It has received more support over the years, including of an embedded type of assistance, to develop 5 district chambers and 2 sector associations, organized by a German development agency (SEQUA) that acts, inter alia, under the German Employers Federation. According to SEQUA, it was found that there still was significant need to consolidate the capacities built.

<sup>71</sup> The police intervened in trade union actions twice in 2011. Apparently a lack of ability to differentiate between demonstrations and strikes on behalf of the national police forces was one of the root causes. Training seminars for the police seem to have led to improvements.

There are a number of inputs or outputs that have been delivered, in particular a few training courses for individuals of either organization and travels to conferences, such as ILS, collective bargaining and freedom of association. But there has been little systematic effort to achieve the targets set forth in the DWCP with regard to developing specific service programs for the members of the employers and workers organizations.

All relevant outputs have been eagerly made use of by the employers' and workers' organizations, and they have contributed to their capacity to develop services for their members. Therefore, some progress has been made against outcome indicators.

To a certain extent, it is surprising that the outcome targets agreed have not been reached during the period of the DWCP. Either the targets must have not carried any more specific meaning to the constituents (or their predecessors) when they were conceived, or there may have been other issues that obscured them during the course of DWCP implementation. For the employers side, questions of finding the right organizational format, certainly, were of overriding concern until 2010.

While there sometimes is a trade-off between channeling technical assistance to not-for-profit organizations and the building of their respective (and unique) identities and organizational cultures, both employers' and workers' organizations could have significantly benefited from more specific targeted assistance, just as much as government organizations did during the course of the DWCP. From this perspective, opportunities the DWCP offered were not sufficiently seized.

Which form of assistance is most suitable to employers and workers organizations is an issue that needs to be explored jointly with the constituents concerned. If embedded experts are an option, so be it. Other options are more intensive intermittent support by organizational development experts, peers from other countries, or specialists from the ROAP. Internships in employers and workers organizations in other countries sometimes also are known instruments to acquire useful routines and establish valuable international partnerships.

The next DWCP should maintain as one of its key priorities the strengthening of employers and workers organizations. In this context, better use should be made of RBTC. At the same time, levels of program support cost earnings from the diverse technical cooperation projects are rather substantial and could be used to cross-subsidize this field of intervention.

**D Promotion of gender equality and tripartism, and institutional capacity building are cross-cutting themes in the above programme priorities and outcomes.**

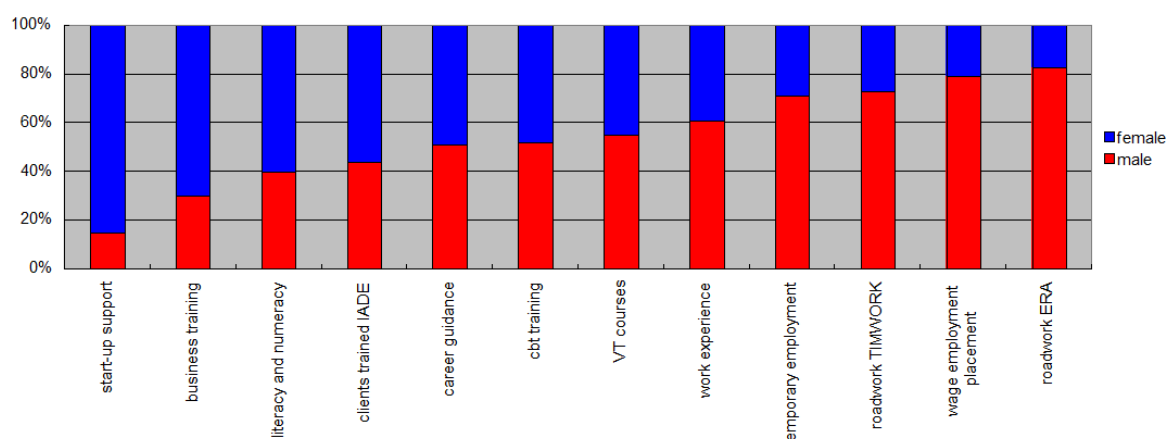
There were several aspects of implementation of the DWCP that were, rightly, considered as cross-cutting, and have been summarized into a priority or an addendum to the other three priorities spelled out in the DWCP. This approach is fine because it does away with unnecessary repetition in the wording of content

where cross-cutting issues are assumed to be taken into account as a matter of course.

The review team was able to confirm that the cross-cutting issues were taken into account by all interventions under the DWCP. All of the technical cooperation projects which have supported the achievements of this DWCP have emphasized tripartism and institutional capacity building by design and have lived these approaches during implementation. The same goes for the cross-cutting issue of gender equality which lends itself much better to monitoring than the other two cross-cutting themes because gender is easily differentiated and counted. The fact that gender-disaggregated figures are available for key services delivered or actions implemented testifies to the sincerity and professionalism of the expert teams in dealing with these issues.

## G.8

**shares of female and male beneficiaries in different areas of intervention**



The respective data has been reported in project documents and seems to not have been aggregated and discussed more systematically at DWCP level before the review mission.

In particular the ERA project has raised concern in its reporting and vis-à-vis the review team that it is not able to achieve gender-related targets which were set at similar levels as in TIMWORK concerning the share of worker-days allocated to female beneficiaries. This has been attributed to larger shares of structural works than originally foreseen which necessitate a higher share of skilled workers (masons) who typically are male in this profession.

However, also other types of services did not find it easy just yet to ensure equal shares of beneficiaries from both sexes as can be seen from the graph above which holds shares implemented in different services against each other. In particular wage employment placement and temporary employment measures seem to not have yielded substantial opportunities to female beneficiaries, next to road works.

If there is any interest in increasing the share of female beneficiaries in the DWCP or more generally in similar support programs, then a look to the left hand side of the

graph may provide some clues as to where to increase investments. Possibly, additional focus on women as potential businesswomen, as potential investors, perhaps following their completion of schooling and acquisition of technical skills of a specific field, is a more promising or suitable career option than seeking to find waged employment for them. On the infrastructure side, for example, the ERA project is making efforts to enlist small contractors owned by female entrepreneurs. However, this could go as far as setting up, supporting, expanding or facilitating links to state-of-the-art micro-financing institutions (or downscaling existing financial institutions) to bank the activities of female entrepreneurs. Independent of this hypothesis, the design of services concerned with temporary and wage employment placement should be reviewed to determine if there are any remaining obstacles relating to female beneficiaries that can be removed.

This is not a call for canceling the efforts to boost employment where female shares are low in order to increase the female share of benefit. However, it may very well be that there are cultural or practical factors which impose barriers in certain professions or employment constellations that make it more difficult for females to succeed for the time being, and it is important to ensure that maximum benefits can be obtained by members of both sexes. Therefore, it is important to continue efforts to develop good strategies to increase women's participation in all type of activities.



## 7 CONCLUSIONS AND RECOMMENDATIONS

- The embedded approach of technical assistance put in practice is a state-of-the-art approach. This approach is appropriate to Timor-Leste. It has proven to deliver and has laid the foundation for sustainability of the different DWCP outcomes. This approach will continue to be the best-possible approach for Timor-Leste in the medium term and should not be abandoned unless the specific circumstances permit otherwise. This approach would also merit consideration for similar situations ILO may encounter in other countries, in particular, but not limited to, fragile states.
- To the extent that technical cooperation is indeed becoming indispensable for the implementation of DWCPs,<sup>72</sup> it is not unlikely that proper mechanisms will need to be developed by ILO to ensure that donor strategies are fully compatible with ILO's and the DWCP's priorities. There is an inherent danger that the financing party will determine the priorities even if the agreements signed formally exclude any principal-agent relationships. In cases where donor contributions can only be obtained for selected priorities while other ILO priorities are left without funds, ILO should devise of appropriate mechanisms to ensure that sufficient funds are being made available to the unattended priorities. Financial resources, in the end, are of a fungible nature.
- The management model for ILO in Timor-Leste is currently based on the availability of technical cooperation funding. This funding has been vital to the nation-building process that ILO is supporting because the funds available from the ILO regular budget are insufficient to properly support such a demanding process.

There is an inherent risk that the complex coordination required over various fields of action occurs *en passant* when the management of the local office does not receive specific inputs from ILO. It visibly draws too much on the dedication of the individual ILO experts (who actually are primarily responsible to deliver under technical cooperation project agreements) and too little on specific allocations of resources for the local management of ILO activities. From this perspective, there is a mismatch between the dimensions of the DWCP and ILO resources accorded to the ILO in Timor-Leste.

Similar mismatches are likely to exist in other nations that are either newly created or that are to be considered fragile states. To the extent that donor funding can be mobilized to support the work of the ILO in such countries, the model used in Timor-Leste remains pragmatic if risky. In situations where it is not possible to mobilize significant funding to support the ILO's work, there may be a need for ILO to create special facilities to compensate for the lack of funding in fragile or new states so that developmental needs of the countries concerned can be addressed in timely fashion.

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<sup>72</sup> Cf. GB.319/POL/7 2013: 11.

- Support received by employers' and workers' organizations during the implementation of the DWCP has been limited. This strongly relates to the specific preferences of the donors who have been supporting the different projects implemented under the DWCP. It is both high time and the time is ripe to deliver more support to employers' and workers' organizations in a bid to further build their capacities.
- The successful experience with the implementation of labor-based rural infrastructure programs can and should be extended to other areas than road construction to maximize employment effects. This may be helpful in limiting turf battles between the government units responsible for employment and those responsible for diverse infrastructures. It may also increase the standing of the Short Term Employment Creation Department of SEPFOPE as a unit that spearheads innovative approaches and underline its integrity in attributing highest importance to the objective of employment creation.

Examples for other areas are: rural water supply, erosion control, landscaping. A thoughtful review of many public sector operations for employment creation potential may provide further ideas that could be explored.

- TVET expansion will continue to require strong support in order to ensure timeliness of results. An early pull-out is not recommended. The system should also be consolidated, in cooperation with other donor interventions.
- In the area of labor market information and labor force surveys, analytical skills still need to be strengthened. The interpretation of the results is of paramount importance as an input into strategy and policy making.
- With the new labor code in place, the time is ripe to dedicate more efforts to occupational safety and health (OSH). In this context, there is an objective need and a demand in practice to define what compensations are to be paid in the case of workplace accidents.
- Further opportunities exist to reinforce income and employment generation in the rural areas. Options for working with methods of local economic development (LED) as well as working with cooperatives, where the ILO possesses of a vast array of experience, should be explored.
- The income and employment generation potential of a number of sectors/ value chains seems to not yet have been fully exploited and merit further attention. Examples include the hospitality sector and tourism which have increasingly come into focus, and fisheries which could significantly affect the nutrition status and health of Timor-Leste's population.
- Although resources generally appear to be available, and employment issues are pressing, government budget resources appear to not always be as easily available as planned or "committed". It may therefore be useful to develop a lobbying strategy between ILO constituents for achieving a higher degree of and speedier mobilization of government funds in order to ensure that a maximum of

beneficiaries are being put to work during the roll-out of projects and DWCP objectives achieved with higher levels of government thrust.

- With the increasing capacity built at all ends and given the absence of a more general coordination of different stakeholders in the diverse fields affected by the ILO's work, ILO constituents could make more use of the DWCP as a management tool and coordination mechanism. The tripartite meetings of the constituents could even be opened, as necessary and useful, to other stakeholders that need to be involved in order to maximize the impact of the DWCP. Regular formal meetings of the ILO constituents to discuss the progress of the DWCP could also be used to generate additional publicity and raise awareness of the people of Timor-Leste regarding the importance of the work undertaken and highlight the contributions made by the different constituents.
- Given economies of scale, it is unreasonable to assume that current levels of funds for programme support cost are fully matched by corresponding cost relating to the Timor-Leste portfolio at Geneva, ROAP or CO-Jakarta. Therefore, more needs to be made and can be made of the scale economies in programme support costs that large technical cooperation projects have generated in Timor-Leste. In particular, such areas of the DWCP in Timor-Leste that have not received adequate funding should be adequately cross-subsidized from such funds provided sufficient absorption capacities exist.
- Where technical cooperation projects are substantial in volume, a better use of (technical, institutional, and economic) feasibility studies should be made to prepare and accompany decision making. This particularly holds for all infrastructure projects which should be able to demonstrate that benefits exceed cost because their budgets usually are relatively high and costs and benefits are relatively easy to measure and attribute. It also may be relevant when key decisions are being prepared or taken that may significantly affect the future of any given system, e.g. whether or not to set up a TVET system or select other approaches to disseminate skills in a new nation.
- Given the significantly lower share of female participation in many of the infrastructural works programmes and the low probability that these shares may still be substantially increased, it may be useful to channel additional investments into such programmes that display higher female participation rates, such as start-up training and business support, in order to enhance the number of female beneficiaries (and thereby achieve parity in distribution of benefits).

## 8 ANNEXES

## A1 List of persons met

(by order of organizational affiliation and function)

Name	Organization	Function
International Labour Organization		
Rooij, Peter van [📞]	ILO Country Office for Indonesia and Timor-Leste	Director
Miyamoto, Michiko	ILO Country Office for Indonesia and Timor - Leste	Deputy Director
Octavia, Lita	ILO Country Office for Indonesia and Timor-Leste	Programme Officer for ILO Timor-Leste activities
Pes, Roberto	ILO Timor-Leste	Head of mission and CTA of BOSS/ERA project
Butler, Lynne	ILO Timor-Leste	CTA for TESP project
Stenstrom, Tomas	ILO Timor-Leste	Chief engineer for ERA project
Done, Simon	ILO Timor-Leste	OIC for R4D Project
Araujo, Magaret	ILO Timor-Leste	Admin. & Finance Officer
Belo, Santina	ILO Timor-Leste	Admin. & Finance Assistant
Kong, Eav	ILO Timor-Leste	Engineer, ERA
Thakuri, Laxman	ILO Timor-Leste	Regional Engineer for Dili
Day, Vanda	ILO Timor-Leste	Contract Management/ Procurement expert, R4D
Driel, Maarten van	ILO Timor-Leste	Capacity building expert, R4D
Parray, Owais	ILO Timor-Leste	Economic and Labor Market specialist, TESP
Manik, Dewanta	ILO Timor-Leste	TVET Specialist, TESP
Indart Jr, Antonio	ILO Timor-Leste	LMIS Adviser, TESP
Valmonte, Legaya	ILO Timor-Leste	Competency Based Training Specialist, TESP
Encarnaç�o, Fernando da	ILO Timor-Leste	Youth Employment and Community Empowerment, TESP
Pereira, Eliana	ILO Timor-Leste	Legal consultant, TESP
Samsan, Vann	ILO Timor-Leste	International Field Engineer, ERA
Cabral, Maria	ILO Timor-Leste	M&E Officer, ERA
Assalino, Jos� [📞]	ILO CO-Kathmandu	Director of Country Office for Nepal, and previous liaison officer for Timor-Leste until 2011
Wada, Shigueru	ILO Decent Work Team, Bangkok	Senior Workers' Activities Specialist
Chang, Jae Hee	ILO Decent Work Team,	Specialist on Employers'

Name	Organization	Function
	Bangkok	Activities
Sakamoto, Akiko	ILO Office for the Philippines	Skills and Employability Specialist
Government and social partners, project counterparts		
Ximenes da Costa, Ilidio	Secretary of State for Vocational Training and Employment (SEPFOPE)	Secretary of State
Barros Gusmão, Jacinto	Secretary of State for Vocational Training and Employment (SEPFOPE)	Director General
Fernndes de Lima, Isabel	INDMO, DANAFOF	Director INDIMO and Oic DANAFOF
Alves, Paul	DNE	Director of Employment
Pui, Jenifer	SEPFOPE	Head of Department for Self-Employment
Gama, Alexandrina V.	SEPFOPE	Head of Department for Self-Employment
Veloso, Angelo	SEPFOPE	Director of Labour Relations
Leto Soro, Aniceto	SEPFOPE	Director of Labour Inspection
Conceição da Costa, José da	Timor-Leste Trade Union Confederation (KSTL)	Secretary General
Gonçalves, Kathleen (张芳霞)	Chamber of Commerce and Industry of Timor-Leste (CCITL)	Vice President
Silva, Fernando Afonso da	Chamber of Commerce and Industry of Timor-Leste (CCITL)	Vice President
Araújo, Alberto de	CCITL	Vice President
Baptista, João	CCITL	CEO
C. Soares, Hernani Viterbo	Institute of Business Development Support (IADE)	Executive Director
Mestre, José	Ministry of Public Works	Director General of Corporate Services
Hernani Freitas, Rui	Ministry of Public Works	Director of Directorate of Roads, Bridges and Flood Control
Gama, José	Ministry of Public Works	Head of Planning Department
Amaral, João Pedro	Ministry of Public Works	Dili Regional Engineer, Dili Region
Barreto, Mateus	Suco Laulara	Chief
Graça de A., António de	Suco Liurai	Chief
Mendonça, Filomeno M.	Suco Maubisse	Chief
Transfiguração Pinto, Father António	Don Bosco Training Centre	Director
Pinheiro, Donato		Training Coordinator
Sequeira, Guido	Josefina Farm	Entrepreneur
Reis, Orlando dos	Josefina Farm	Head of farmers' group

<b>Name</b>	<b>Organization</b>	<b>Function</b>
<b>Donors and development partners</b>		
Brooker, Fred	AUSAID	Senior Education Specialist
Lewis, Neryl	AUSAID	Counsellor (Development)
Amaral, Emanuel José	Delegation of the EU to Timor-Leste	Attaché - Programme Officer Rural Development
Ugalino, Roberto B.	ADB (contractor)	Technical Advisor/Consultant
Day, Milissa	International Finance Corporation	Resident Representative

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### **A3 Statement on methodology**

#### **General approach**

The review of the DWCP will be conducted based on what may be considered reasonable in the trade. In other words, the international expert will take an independent view and not merely be guided by project documents and agreements. DAC criteria for the evaluation of development assistance and the typical issues addressed under aid effectiveness considerations may be taken into consideration where warranted.

The amount of preparatory and background research that can be undertaken within the framework of such an assessment is limited by the period of notice between signature of contract and the planned deployment in the field of the international expert, the coordination with other assignments, the budget for the assessment, the time available in the field and the availability of interlocutors at these times.

In the light of the circumstances for this review, the international consultant will adopt a pragmatic and flexible approach, and, with the assistance of other review team members,

- review existing documentation on the program in the form of project documents and reports against what is considered reasonable in the trade as well as against key policies documented that the project is meant to contribute to
- request additional information from stakeholders as necessary or useful for the purpose of judgement against the review criteria (and depend on their timely provision during the duration of the assignment)
- try to convey the need for the review and relieve interlocutors of any potential fears of the review by communicating a modern understanding of monitoring and evaluation exercises, namely as joint learning exercises which serve the management of project quality
- explore the views held by the different stakeholders concerning the implementation of the DWCP, at different levels with ILO as well as in the field
- while being guided by the review criteria, a preference will be given to open-ended discussions so as to not to run the risk of overlooking any important aspects by narrowing in on the international expert's limited perspective of the DWCP at the outset
- where relevant, seek to eliminate any misunderstandings potentially resulting from interpretation during interviews by triangulation
- in an iterative procedure, triangulate all views obtained in subsequent discussions including the stakeholder workshop and debriefing meetings in order to obtain an unbiased (as can be) overview of the status of the DWCP and to identify potential differences in opinion
- seek to determine the reasons for diverging opinions (if any)
- assess the overall picture emerging from the discussions and the documentation against the review criteria and independently formulate a view on the situation of the DWCP in this context
- propose measures for improvement and recommendations where necessary or useful

The international expert cannot

- collect data that has not been collected prior to the review (as the time available in the field is limited)
- "audit" existing documentation or data (though selectively probing should be possible)
- demand compliance with any of his requests, but depends on the follow-up by the ILO ROAP and/ or ILO Jakarta and ILO Timor-Leste if there is any need
- document what possibly has not been properly documented with the resources made available for this assignment

### Rating scale for assessing DWCP progress and performance

The terms of reference for this DWCP review draw on a template which has been used on previous DWCP reviews in other countries. They include a request for the review teams to rate the progress and performance of the specific outcomes of the DWCP in question. There are a number of technical aspects that merit attention when it comes to the application of the scale to be used in this exercise.

The rating scale to be applied according to the terms of reference is the following:<sup>73</sup>

1	2	3	4	5	6
very unsatisfactory	unsatisfactory	moderately unsatisfactory	moderately satisfactory	satisfactory	very satisfactory

Although there is no further specification (e.g. no formula or explanation of the approach), there appears to be an expectation that the review should lead to a numerical value that should, in one way or another, represent the degree of progress and performance made against outcomes specified for the DWCP.

- As can be read from the structure of the scale, an effort has been made to develop a centered scale (an equal number of, *prima facie*, "equidistant" negative and positive degrees).
- The scale also forces evaluators to take a stance as to whether DWCP outcome progress and performance has been more positive than negative or more negative than positive (absence of a neutral measure such as "neither unsatisfactory nor satisfactory"). Whether this is useful in this context is open to discussion.

<sup>73</sup> The rating scale appears to draw on an example in a recommendation presented in *ILO (1013)*: 3, where the scale is contained in exactly the same way. That document apparently has been written with the intention to encourage objective measurement of progress which is, obviously, very important when comparison of results is intended, as it usually would be when it comes to results based management within an organization.

The examples given on how to define response choices on p.4 of the same note, however, are inadequate for those readers who wish to translate the recommendations into practice. ("No shortcomings" is not any more specific than "highly satisfactory".)

There is certainly much more to be said about the techniques required for ILO staff to properly work with ratings, arguably including about the inherent limitations of management information systems. However, this DWCP review is not the proper place for such a discussion.

Rating only makes sense when there is an aim of comparing progress and performance made. It may therefore be assumed that the numerical value calculated from this exercise will ultimately be compared with numerical values (scores) achieved in other DWCP reviews.

If this assumption is correct, the scale needs to respond to the criterion of reliability. In other words, when several different people measure the progress and performance of the DWCP, the same results should be obtained. The scale must allow for reliable measurement.

Furthermore, the scale should cover the whole range of measurements that may occur. For measuring the temperature of water in its liquid state, a temperature scale that covers the whole span between 0 and 100 degrees Centigrade needs to be available unless the temperature range can be narrowed down for technical reasons (e.g. body temperature ranges). Otherwise, review teams will not be able to apply the scale in practice, or be unable to report any measurements that fall outside of the range.

At this time, the scale does not meet either of these most basic requirements.

A. The scale does not allow for reliable measurement because it is vaguely worded and because a higher degree of precision of measurement is required than can be delivered by any review teams.

- The term "satisfactory" is used to describe "fulfilling expectations or needs; acceptable, though not outstanding or perfect"<sup>74</sup> or an adequate or sufficient performance in a given context. It is a term which may be reasonably clear in grading of students when it comes on a scale with other terms, such as "passing" or "good" between which it usually would be located. The term becomes rather vague, however, when supplemented (or diluted) with adverbs such as "moderately" or "very".
- It is most likely impossible for review teams to determine whether something was either only "moderately satisfactory" or only "satisfactory" or only "very satisfactory". Did performance very much fulfill our expectations? Or only fulfill our expectations? And where is the difference? Review teams are therefore likely to privately either seek to replace the scale with something else (e.g. by substituting the measure with the numerical value assigned to it) or simply averaging opinions in the team (everyone left to themselves to decide how to properly gauge their scales).

B. The scale does not cover the whole range of possible measurements that are likely to be found in the field.

- The current scale offers essentially a narrow choice between two results: "satisfactory" or "unsatisfactory". It is therefore only able to cover DWCPs which have seen progress or performed within this narrow range. Neither could "good" or "outstanding" performances be recorded. Nor could "failing" or even

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<sup>74</sup> Cf., *inter alia*, Oxford Dictionary of the English Language.

"damaging" performances be documented (and the respective lessons learned). Applying the scale, therefore, would condemn ILO and its constituents to measure (and possibly encourage) rather mediocre performance.

In order to deal with the latter, the scale could be broadened to include the complete range. For example, if a somewhat balanced scale of 6 scores is desired,<sup>75</sup> 3 of which more negative, and 3 of which more positive, one could use the following terms: "damaging, failing, unsatisfactory, satisfactory, successful, excellent" (or similar) and thereby extend the scale beyond the more narrow range currently in use.

This, however, does not solve the problem of achieving reliable measurements. In order for review teams to be able to measure progress and performance in the same way for different DWCPs, they (and the ILO, as well as the constituents) need to know against which standards or definitions to measure. There are different options for dealing with this, for example by drawing on quality management tools, but they require thorough discussion and refinement so that their adequacy for measuring DWCP progress and performance around the globe can be ensured.

To address the above issues, the approach selected for this review exercise

- is also based on a scale of 1-6, but seeks to cover the whole range of possible measures (instead of focusing on the segment lying between "satisfactory" and "unsatisfactory")
- assigns a specific meaning to each rating (score), drawing on categories that are somewhat time-tested, namely in quality management systems in Europe, so as to enable proper comparison between different DWCPs (as long as the same categories are being applied)<sup>76</sup>
- maintains established international development terminology (where we move from inputs to OUTPUTS to USE OF OUTPUTS to OUTCOMES that ultimately and hopefully lead to impact)
- moves from bad performance to good performance, as opposed to establishing equidistant values from or around an imaginary center, while, nevertheless, assuming that neither complete failures nor outstanding performances are as frequent as the other scores (bell-shaped normal distribution)
- suggests a possible scale from 0-100 that could be applied if and when further refinement of the measurements are intended

The table (T.3) on the following page provides an overview of the rating options for those performance areas which are at the heart of DWCP reviews.

<sup>75</sup> As recommended to be applied by all ILO staff in *ILO (2013)*: 3:

<sup>76</sup> Quality management systems are meant to improve performance of organizations or groups of organizations. Hence, they provide frameworks that can be applied to the management of DWCP which essentially organize ILO constituents work in a given country. European public sector organizations also increasingly work with such frameworks in order to improve their performance. In other words, quality management is not only a tool for industrial enterprises. For the scale established *ad hoc* for the purpose of this DWCP review, cf. the results panels in *EIPA (2006)*.

## DWCP outcome-specific findings regarding progress and performance

Performance area	Score	1	2	3	4	5	6
<b>A. Resource adequacy</b>		0-10 No resources are measured and / or no information is available.	11-30 Resources are measured and show negative trends and / or resources do not meet relevant needs.	31-50 Resources show flat trends and / or some resource needs are met.	51-70 Resources show improving trends and / or most of the relevant needs are met.	71-90 Resources show substantial increase and / or all the relevant needs are met.	91-100 Resources are available to sustain the results achieved. All the relevant needs are met.
<b>B. Delivery of outputs</b>		0-10 No outputs are measured and / or no information is available.	11-30 Output delivery is measured and shows negative trends and / or outputs are not conducive to achieving outcomes.	31-50 Output delivery shows flat trends and / or some outputs are delivered.	51-70 Output delivery shows improving trends and / or most of the outputs are delivered.	71-90 Output delivery shows substantial increase and / or all relevant outputs are delivered.	91-100 Output delivery is sustainable for the period required. All the relevant outputs are delivered.
<b>C. Use of outputs by partners/target groups</b>		0-10 No use of outputs is measured and / or no information is available.	11-30 Use of outputs is measured and shows negative trends and / or use of output is not relevant for achieving outcomes.	31-50 Use of outputs shows flat trends and / or some outputs are used.	51-70 Use of outputs shows improving trends and / or most of the outputs are used.	71-90 Use of outputs shows substantial increase and / or all relevant outputs are used.	91-100 Use of outputs is sustainable for the period required. All the relevant outputs are used.
<b>D. Progress made (against outcome indicators/ milestones)</b>		0-10 No progress is measured and / or no information is available.	11-30 Progress is measured and shows negative trends and / or progress is insufficient for achieving outcome.	31-50 Progress shows flat trends and / or some progress is made.	51-70 Progress shows improving trends and / or most of the outcome is achieved.	71-90 Substantial progress is made and / or outcome is achieved.	91-100 Outcome is sustainable for the period required. The outcome is achieved.
<b>E. Measures to respond to emerging risks and opportunities</b>		0-10 No measures are in place and / or no information is available.	11-30 Measures do not mitigate negative [seize positive] trends and / or measures are insufficient to respond.	31-50 Response measures mitigate negative [seize positive] trends and / or measures are responding to [seizing] some risks [opportunities].	51-70 Measures lead to improving trends and / or most of the risks [opportunities] are met with responses [seized].	71-90 Measures have substantial effect and / or all of the risks [opportunities] are met with responses [seized].	91-100 Measures are sustainable for the period required. All relevant risks [opportunities] are met with responses [seized].

T.3

## A4 Terms of reference

### TERMS OF REFERENCE (AS OF 15 JULY 2013) TIMOR-LESTE DECENT WORK COUNTRY PROGRAMME REVIEW

#### 1) Introduction and objectives

The national tripartite constituents approved the ILO's decent work country programme (DWCP) for Timor-Leste for 2008-13 on 2<sup>nd</sup> April 2009. Several progresses have been made though there have also been several challenges. The DWCP Timor-Leste (2008-2013) will end by the end of 2013, ROAP in consultation with ILO Country office for Indonesia and Timor-Leste (CO-Jakarta) has proposed for a review of DWCP Timor-Leste to analyse the progress made toward achieving outcomes and to identify lessons learned in order to guide the development of the next DWCP.

The DWCP review (DWCPR) will assess the relevance and coherence of the DWCP design, the efficiency in implementation, effectiveness of its operations, sustainability of results and the impact of the programme. The review is also intended to provide a basis for improved insights within the Office as to how to better design, implement, monitor and assess country programmes in the future.

The DWCPR will cover all interventions planned and carried out during 2008-2013. The CPR will be coordinated by the ILO Regional Office for Asia and the Pacific (ROAP) in cooperation with ILO Country Office for Indonesia and Timor-Leste, and in consultation with the ILO Liaison Office in Timor-Leste and DWT-Bangkok.

The core review team will consist of an international consultant to act as team leader and a national consultant. The ILO Evaluation Officer from ROAP may participate. CO-Jakarta and technical specialists from DWT-Bangkok may also participate and will provide inputs and support to the review team. The ILO approach is to encourage participation of key stakeholders throughout the review process. The accuracy of the CPR of Timor-Leste will depend on the collaboration from the national tripartite constituents and other relevant stakeholders.

#### 2) Background and context

##### *Brief socio-economic context*

Timor-Leste (TL) is one of the least developed countries in the region. Total population is about 1.1 million and most are Roman Catholic, with Muslim and Protestant Christian minorities. Per capita income is about \$468 (2008). It is further classified as a Small Island Developing State (SIDS). Over one-third of its GDP comes from the export of mineral oil, with the rest of the economy characterized by slow and volatile non-oil GDP growth. Timor-Leste's domestic economy is based on subsistence agriculture on which over 75% of the population depends.

Since independence in May 2002, Timor-Leste has made significant gains in several areas of development. It has adopted a constitution that provides for a democratic and pluralistic society and basic fundamental rights and freedoms. In late April 2006, internal tensions threatened the new nation's security when a military strike led to violence and a near breakdown of law and order in Dili. In August 2006, the UN Security Council established the UN Integrated Mission in Timor-Leste (UNMIT), which included an authorized police presence of over 1,600 personnel. The International Stabilization Force (ISF) and the UNMIT restored stability, allowing the Government of Timor-Leste to hold presidential and parliamentary elections in 2007.

The third Presidential and parliamentary elections were held in March, April and July 2012 in a largely peaceful atmosphere. In light of TL's continued progress, the Government of TL, the International Stabilization Force (ISF) and the UNMIT agreed for the withdrawal of the UN peacekeeping mission by 31st December 2012.

Timor-Leste has massive petroleum resources which allow it to earn significant export revenue – "Petroleum income Government expenditure, the primary driver of economic growth in Timor-Leste, has remained high on the back of stronger-than-expected public revenue from offshore petroleum production. Public spending rose by 18.0% to \$620 million in the first half of 2012, an increase of 18.0% over the same period a year ago and equivalent to about 60% of annual nonpetroleum gross

domestic product (excluding the contribution to GDP from the petroleum sector). Of this spending, cash transfers accounted for \$110 million, injecting significant purchasing power into the economy that benefitted mainly rural areas. In view of this, the economy was projected to grow by about 10% in 2012. The pace of expansion is seen easing to 8% in 2013, following a projected slowdown in government spending and planned completion of the United Nations peacekeeping mission and the International Stabilization Force by the end of 2012. However, outlays on a national electrification program and other major infrastructure upgrades suggest that government expenditure will continue to be a major contributor to growth over the medium term. Spurring private sector development by creating a business-friendly environment remains a priority to deepen the economy and mitigate its current heavy reliance on government spending funded by petroleum revenue. A vibrant private sector would improve prospects for sustaining high growth rates over the long term, as well as help protect and augment recent improvements in the standard of living (ADB, 2012).

Timor-Leste faces great problems in rebuilding its infrastructure and facilities, strengthening the civil government, and generating jobs for young people. Around half of Timor-Leste's youths are unemployed. As more than 75% of the country's population is under 30 years old it means many thousands of young people are struggling to find a livelihood.

### ***National development framework***

The conflict of 2006 had affected in the changes of government policy and those national development priorities. For post crisis response, the government of Timor-Leste identified certain national priorities aiming at urgently meeting the need of Timorese. The Government started to develop the annual national priorities with quarterly targets in 2008. The annual national priorities superseded the medium term National Development Plan (2003-06). Following the 2008 national priorities setting, the national priorities for 2009, 2010, 2011 were also developed by the Government of Timor-Leste in consultation with development partners. The annual national priorities were a transitional modality to respond better to the need of the people in a post-crisis situation. The 2011 national priorities were the last annual national priorities to be formulated.

The Strategic Development Plan (SDP 2011-2030), "From Conflict to Prosperity", has been launched by the Government in July 2011. It provides the country with a vision for the next two decades and an integrated package of strategic policies to be implemented in the short-term (one to five years), in the medium term (five to ten years) and in the long-term (ten to 20 years). It is aligned with the United Nations' Millennium Development Goals, but it is more than a set of targets. The plan aims to develop core infrastructure, human resources and the strength of our society, and to encourage the growth of private sector jobs in strategic industry sectors – a broad based agriculture sector, a thriving tourism industry and downstream industries in the oil and gas sector. The Strategic Development Plan sets out what needs to be done to achieve the collective vision of the Timorese people for a peaceful and prosperous nation in 2030. The plan necessarily includes assumptions about prospects for the petroleum sector and growth rates in the oil and non-oil economy. The Strategic Development Plan provides a framework for identifying and assessing priorities and a guide to implementing recommended strategies and actions. The newly established National Development Agency will be responsible for providing detailed costing advice on major infrastructure projects to the government of the day, and relevant ministries will provide advice on sector program costing and implementation.

At the TL Development Partner Meeting (TLDPM) in July 2011, the Government of TL and development partners adopted the Dili Development Pact (DDP), which articulates mutual commitment aimed at bringing all development stakeholders together in order to implement the SDP.

### ***ILO and its constituents***

Timor-Leste became ILO's 177th member State on 19 August 2003. Government and social partners who are main ILO counterparts in TL are: -

- Secretariat of State for Vocational Training and Employment Policies (SEPFOPE)
- Chamber of Commerce and Industry of Timor-Leste (CCITL)
- Confederation of Trade Union of Timor-Leste (KSTL)

### ***ILO commitment in the UNDAF***

The DWCP expands and elaborates UNDAF (2009-2013) outcomes for Timor-Leste which has three specific components:

- stronger democratic institutions and mechanisms for social cohesion are consolidated.
- vulnerable groups experience a significant improvement in sustainable livelihoods, poverty reduction and disaster risk management within an overarching crisis prevention and recovery context.
- children, young people, women and men have improved quality of life through reduced malnutrition, morbidity and mortality; strengthened learning achievement; and enhanced social protection.

### 3) Decent Work Country Programme of Timor-Leste

When the Timor-Leste DWCP document (2008-2013) was formulated, a long term Strategic Development Plan (2002-2020) and the medium term National Development Plan (2003-2006) were valid as important reference documents and ILO STAGE project was the major ILO technical cooperation project in Timor-Leste. The DWCP Timor-Leste, which was formulated in 2008, has thus faced with number of challenges to link its country programme outcomes (CPOs) to the shifting annual national priorities.

The DWCP (2008-2013) has been developed with the ILO constituents, building on the ILO's technical cooperation experiences in Timor-Leste, on-going partnerships with national organizations, including workers' and employers' organizations, and recommendations from programme evaluations of various ILO technical programmes in Timor-Leste during 2006-08. The DWCP is based upon, and aligned with, key national development priorities of the Government of Timor-Leste, the ILO and the UN System. Inter-connected priorities for realizing decent work and poverty reduction in Timor-Leste during this Asian Decent Work Decade are reflected in the DWCP. The formulation of the DWCP has involved wide-ranging consultations with the constituents and other stakeholders. The ILO Office for Indonesia and Timor-Leste and the ILO Liaison Officer in Dili have specifically worked together with all Divisions of the Secretariat of State for Vocational Training and Employment, the Employers' Forum and the main trade union, KSTL, in the formulation of the DWCP. At the tripartite consultation of 1 October 2008 in Dili, the Government of Timor-Leste, KSTL, and EFTL endorsed the programme priorities, strategies, and result framework of the DWPC. The DWCP focuses on the following areas:-

#### Youth Employment Promotion

- Effective implementation of youth-focused social and economic policies and programmes
- Labour market information-based social and economic development policy and programme formulation and implementation
- National competency-based skills training system endorsed by public and private training providers

#### Rural Economic Development

- Enhanced rural employment, safety net, and economy through employment-intensive infrastructure investment
- More and better business development support services to improve micro and small enterprises in rural areas

#### Labour Market Governance

- Ratification of core ILO Conventions, development of reporting capacity, and incorporation of international labour standards principles into national legislative framework
- Increased capacity of employers' and workers' organizations to participate effectively in the development of social and labour policy

The programmatic outcomes of DWCP TL from 2008-2013 are shown in table 1 (Mapping of country programme outcomes SMM/implementing plan 2008/2009, 2010-2011 and 2012-13)

### ***ILO means of action for implementing the country programme***

The ILO does not have a Country Office in Timor-Leste. ILO Liaison Office in Dili is established to represent the ILO in Timor-Leste but the oversight and administrative support have been provided by ILO Office for Indonesia and Timor-Leste. The ILO's work in TL is also backstopped by the ILO DWT-Bangkok and ILO RO Asia and the Pacific.

Technical cooperation projects funded by several donors have been the major instrument and means that have contributed to the progresses/achievements made of DWCP in TL to date, for examples: -



- LMI project assisted SEFOPE in the labour force survey of 2010.
- TIM Works project addressing the challenges of job creation and the need for infrastructure improvement, it created employment opportunities for 32,500 people (27% women) in rural areas, through rural roads' rehabilitation (304 km) and maintenance (2,150 km)
- Assisted SEFOPE to create a Short term Employment department to manage rural road works using labour-based techniques, which optimize the use of productive labour and complement its with small equipment in order to meet the specified technical and engineering standards.
- YEP project assisted SEFOPE in the development of the national employment strategy and the Technical and vocational education and training (TVET) plan –both aligned with the TL SDP 2011-2030
- BOSS project supports the Institute for Business Support (IADE) to become the main driver of private sector development in TL – it has become a nationally accredited training provider, offering course to potential and existing entrepreneurs that are certified by INDMO, the National Labour Force Institute.
- Enhancing Rural Access Project (ERA) 2011-2015, aims to improve access through rehabilitation and maintenance of rural roads by involving and capacitating domestic contractors to carry out the work using local resource based approaches. The Project also supports IADE and Don Bosco training institutions in their accreditation for training of small contractors
- Roads for Development (R4D) 2012-2016, aims to build capacity with the Ministry of Public Works, the main ministry involved in the management of rural roads. In addition to institutional and human resource development, R4D, being the lead project in the rural roads sector, will establish policies, strategies, procedures and standards, ensure a well coordinated sector, and also contribute to physical works, promoting local resource based approaches.

The technical cooperation projects that have underpinned the DWCP Timor-Leste are listed in the Annex 3.

**[Table 1: Mapping of country programme outcomes SMM/implementing plan 2008/2009, 2010-2011 and 2012-13]**

### ***Purposes and scope of country programme review***

#### **Purposes**

The purpose of the review is to take stock of what has worked and has not worked from the current DWCP and to see what needs improving and/or continuing to the next DWCP. This can be considered by taking into account the country situation and evolving national development plan.

The specific objectives of the review are twofold: First, the review is aimed at assessing the adequacy and appropriateness of the design, outreach and implementation of the ILO interventions and identifying and making recommendations for improvement, especially in terms of results-based management. Second, the lessons learned and recommendations of the review will also be an important input to the formulation of the new DWCP for Timor-Leste.

#### **Scope**

The review will cover all ILO interventions in Timor-Leste from 2008 to date. The review will also examine the strategy, capacity and resources available to deliver the DWCP outcomes or milestones set for the 2008/2009, 2010/11, and 2012-13 biennia. The review scope has two main components: The first involves *a review of the appropriateness and adequacy of the programme design, outreach/partnership and implementation performance*. The second component is *an operational assessment to report on progress being made on tangible outcomes directly resulting from ILO contributions*. Specifically, the scope of the work will include:

1. Assess the overall relevance of the programme to national development challenges, national priorities, UNDAF, ILO priorities and MDGs.
2. Assess the programme formulation process and the focus, coherence and logical fit of the outcomes, outputs and strategies.

3. Assessment of how the DWCP TL has adapted/responded its strategies to the changing situation and the need on the ground (responding to post-crisis need)
4. Analyse programme implementation:
  - effectiveness of interventions in producing results, with particular attention to synergies and coherence across interventions
  - sustainability, with particular attention to capacity/institutional development and the creation of an enabling environment (changes in laws, policies and behaviours)
  - key factors of success and constraints encountered (internal and external)
  - adaptation/adjustments to the changing situation (emerging opportunities and threats); evidence of the application of lessons learned
  - partnership approach, the role/effectiveness of partners in promoting decent work and coordination among partners
  - knowledge management and communication strategy (internal and external), use of knowledge and incorporation of M&E into the knowledge base
  - organizational arrangements (managerial, administrative and business processes)
  - resource availability
  - efficiency of programme execution (time and costs).
5. Assess progress towards outputs and outcomes (with data-supported evidence and using the scale and matrix in the TOR annex), including the assessment of milestones set for the 2008/2009, 2010/2011 and 2012/2013 biennia.
6. Assessment of the impact and lessons learnt of technical cooperation projects upon the achievement of the DWCP

## 5) Proposed methodology

The review exercise is a participatory assessment of the five-year ILO programme. The methodology will comprise an extensive desk review of relevant documentation. It also includes an in-country mission of the review team for information gathering. The process includes a series of meetings/interviews between the review team and the Government, workers' and employers' organizations, other UN agencies, major donors and national partners, as appropriate. A stakeholder workshop will be organized as a platform for relevant internal and external colleagues to analyse and discuss the ILO's work in the country.

An external consultant will be hired to facilitate the review process and to prepare the review report. The TOR has been finalized to take into account inputs from ILO constituents.

The external consultant will draft the review report based on the inputs from the consultations with relevant stakeholders and with members of the review team. The draft report will be submitted to the ROAP, which will share the draft report with the key stakeholders in Timor-Leste.

ROAP will also share the draft report with relevant ILO staff and specialists for comments. ROAP will consolidate all the comments and submit them to the external consultant for consideration to incorporate them in the revised report.

The core review team will consist of an international consultant to act as team leader, ILO evaluation officer from the ROAP may also participate. CO-Jakarta and ILO Office in Timor-Leste will participate and help facilitate the review process. In addition, ILO specialists and other staff may participate and/or be asked to contribute to the exercise, including through participation in a self-evaluation of the two components of the review to be covered by the review team.

### Preparation

- 1) ILO Dili/CO-Jakarta will provide the following documents to the review team before the start of the field mission:
  - Portfolio of projects during 2008-2012 and its extra-budgetary resources (annex3)
  - Total allocation and expenditure (RB, RBTC, PSI, XBTC and RBSA) during 2008/2009, 2010/2011 and 2012/2013 by outcomes (annex 4).
  - Summary performance profiles for each outcome – not to exceed one page with information that corresponds to assessment criteria. A summary of outcomes

- performance profile should be prepared for each outcome according to the assessment criteria provided (annex 2)
- DWCP monitoring plan and work plan
  - Summary of relevant countries' policies, such as employment, migration, education, social security and labour protection.
  - Other relevant background information, including project progress reports, project evaluations, as well as evidence of major outputs and other performance-related information.
- 2) ILO Dili/ CO-Jakarta will prepare the review mission's agenda and schedule meetings for the review team with the following:
- Government (Ministry of Labour and Employment and other concerned Ministries etc.)
  - Employers' organizations
  - Workers' organizations
  - UN agencies
  - Major donors e.g. AusAID, EU, Ireland
  - Relevant ILO staff in TL, Jakarta, Bangkok, and Geneva
  - other key partners.
- 3) ILO Dili/CO-Jakarta together with tripartite constituents, will arrange a stakeholder workshop where relevant internal and external stakeholders can analyse and discuss ILO's work in the country (also for the review team to share the preliminary findings if applicable).

#### National consultant's Responsibilities

The national consultant will facilitate group meeting/discussions (internal ILO staff, tripartite constituents, relevant ministries UN agencies and donors, beneficiaries, implementing partners) commensurate with time allocated. Specifically, the national consultant will be responsible:

- To collect background information and to conduct a desk review of relevant documents
- To pro-actively provide relevant local knowledge and insights to the review team
- To take part in the interviews with ILO constituents and key stakeholders, and to make notes during interviews, and to write brief reports on main observations and conclusions
- To participate in the scoring exercise of the review team regarding performance criteria as defined in the TOR
- To contribute to the main report to be written by the international consultant (team leader)
- To identify the ILO's partners of ongoing and past projects and their beneficiaries in TL (specify the place?) in consultation with relevant ILO staff in Timor-Leste. Assist the Office in fixing appointments for interviews and participate in field observations
- To provide interpretation from Tetum to English (and viceversa), where needed.
- To participate and jointly facilitate the stakeholders workshop.
- The national consultant will contribute to certain sections in the draft and final report as requested by the Team Leader (International Consultant).

## 6. Provisional work plan and schedule for the review

The time frame is based on the scope of work and methodology previously outlined and resources available for the review.

Task	Time frame (to be ready by when)	Responsible unit/ person	Consultations
1. Draft TORs prepared	31 Jan 2013	ROAP	EVAL
2. Identification of external facilitator	30 March 2013	ROAP/ILO Office in TL	CO-Jakarta/ILO Office in TL
3. Internal and external consultations to finalize terms of reference	Mid May 2013	ROAP/CO-Jakarta/ILO Office in TL	CO-Jakarta DWT-Bangkok, national stakeholders

Task	Time frame (to be ready by when)	Responsible unit/ person	Consultations
4. Preparation of background document and summary performance profiles by outcomes	End May 2013	CO-Jakarta/ILO Dili	DWT-Bangkok, project staff and ILO staff in TL
5. An itinerary scheduled for the review team to get inputs from national stakeholders (government, workers' and employers' organizations, UN agencies, etc.) and DWT-Bangkok	Early June 2013	CO-Jakarta/ILO Dili	ROAP
6. Documents reviewed by the review team	Early July 2013	Consultant and other review team members	
7. Field mission/consultations 8. - meeting/ interview with stakeholders in Timor-Leste	22 July- 2 Aug 2013	Review team	National tripartite stakeholders, national partners, UN agencies
9. Stakeholders workshop	2 Aug 2013	Consultant, CO-Jakarta DWT-Bangkok	
First draft report	Mid Aug 2013	Consultant/review team	ROAP, ILO Office in TL, CO-Jakarta, and DWT-Bangkok
11. Sharing the report to key stakeholders for comments	By end Aug 2013	ROAP CO-Jakarta	Tripartite constituents, CO-Jakarta, DWT-BKK
Final report submitted	End Sep 2013	Consultant/RO-Asia and the Pacific	
Follow up on the recommendations	Oct 2013	CO-Jakarta	

#### **Annex1: Performance criteria for Timor-Leste country programme review**

<b>The role and relevance of ILO in Timor-Leste, its niche and comparative advantage and UN partnership approach</b>
Performance criteria: <ul style="list-style-type: none"> <li>national political, economic and social factors have shaped formulation of country programme</li> <li>flexibility and ability to respond to emerging opportunities</li> <li>ILO establishes priorities consistent with its capacities and comparative advantages</li> <li>ILO ensures CCA addresses subjects that are priorities for decent work in the country</li> <li>ILO achieves overall policy coherence between ILO action and the UNDAF</li> <li>PRSPs/ MDGs: ILO's country programme links to and supports/influences national PRSs.</li> </ul>
<b>Tripartite participation and partnership</b>
Performance criteria: <ul style="list-style-type: none"> <li>national tripartite constituents are active in national development planning forums and networks</li> <li>national tripartite constituents take ownership of the ILO's country programme</li> <li>tripartite constituents have improved capacities to influence national policy and resources within decent work areas</li> <li>constituents have clear links to target groups.</li> </ul>

**The focus and coherence of the programme's design and strategies**

Performance criteria:

- programme coherence supporting an integrated approach to decent work
- country programme fits within ILO's strategic policy framework and programme and budget priorities and strategies
- country programme reflects a consensus between the country and the ILO on decent work priorities and areas of cooperation
- presents a strategy with main means of action for delivery of ILO support.
- cross-cutting goals are integrated
- current programme is coherent, logic and captures opportunities for reinforcing each other in meeting objectives
- partnerships and tripartite constituents build national capacities and support policy change
- verification that ILO responds to recognized needs among constituents
- resource mobilization is an integral part of strategies.

**Evidence of the direct and indirect results of ILO's contributions and support at national level**

Performance criteria

- the programme has defined clear outcome-level results against which it can be assessed
- these results are documented and verifiable
- the outcomes justify the resources spent
- the secondary effects, either positive or negative, are known and associated risks addressed
- ILO has influenced thinking and action related to policy changes
- results are sustainable by partner institutions and at various levels (local, national, regional)
- expansion and replication of successful demonstration and pilot interventions.

**The efficiency and adequacy of organizational arrangements to deliver the ILO's programme in Timor-Leste**

Performance criteria:

- the operations of the programme match the programme plan
- the ILO has operated fairly and with integrity
- credible, skilled specialists support the work
- resource mobilization is effectively and efficiently carried out
- work processes are efficient and timely.

**Knowledge management and sharing**

Performance criteria:

- M&E is part of the knowledge base
- office follows a communication/KM strategy, making effective use of its website and other tools for outreach
- ILO knowledge development used to improve national programmes, policies and benefit priority groups.

**Annex 2: Summary of specific outcome performance profile**
**Performance factors and related questions for outcome-specific findings regarding progress and performance**
**A. Resource adequacy**

- Is the Outcome adequately resourced? Any TC projects contribute to this outcome? Any other resources? If under-resourced, why?

**B. Delivery of outputs**

- Do all the planned outputs will be delivered by the end of 2012?
- Are the quality and quantity of outputs delivered satisfactory/acceptable?

**C. Use of outputs by partners/ target groups**

- Have the outputs delivered by the ILO being used by the partners/ target groups?

**D. Progress made (against outcome indicators/milestones)**

- Have the progress/changes taken place in the country in the past five years (taking into

**Performance factors and related questions for outcome-specific findings regarding progress and performance**

account the milestones set)?

- If not, why it did not happen?

**E. Measure to response to the emerging risks and the opportunities**

- What are emerging risks and/or opportunities that affected the progress of this specific outcome?
- Does the country programme take into consideration those risks and opportunities and adjust the outcome and/or its strategies?

The scoring categories are below

1	2	3	4	5	6
Very unsatisfactory	Unsatisfactory	Moderately unsatisfactory	Moderately satisfactory	Satisfactory	Very satisfactory

**Outcome-specific findings regarding progress and performance**


Outcome: \_\_\_\_\_

Performance area	Rating	Comments by ILO / tripartite constituents/ partners	Plans for next period
A. Resource adequacy			
B. Delivery of outputs			
C. Use of outputs by partners/ target groups			
D. Progress made (against outcome indicators)			
E. Measure to response to the risks and opportunities			
Total score			

[Annex3. Table "All XBTC, RBSA, RBTC funding in Timor-Leste that have contributed/linked to CP Outcomes (Agreement Start Date is > April 2008 till as of today)"]

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## A5 Presentation delivered at stakeholder workshop in Dili



### Decent Work Country Programme Review

Stakeholder Workshop  
Dili, Timor-Leste, 2013-08-02

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### Agenda

- ◆ About Decent Work Country Programs (DWCP)
- ◆ Preliminary results of the DWCP review
  - Design and delivery
  - Findings and recommendations
- ◆ Feedback and discussion

### Purpose of DWCPs

- ◆ guide the most effective and efficient use of resources to generate the greatest possible results in pursuit of DWCP priorities and outcomes
- ◆ encourage strategic partnerships, leveraging of resources and resource mobilization

### Decent Work Country Programs

- ◆ main instrument for ILO country cooperation
- ◆ content varies from country to country
- ◆ duration: 4-6 years
- ◆ should be focused and prioritized
- ◆ should recognize tripartism, social dialogue, gender equality and international labour standards as key to planning and implementation of coherent and integrated ILO program
- ◆ closely aligned with national development strategies, including poverty reduction strategies (PRS) and UNDAFs



## DWCP outcomes

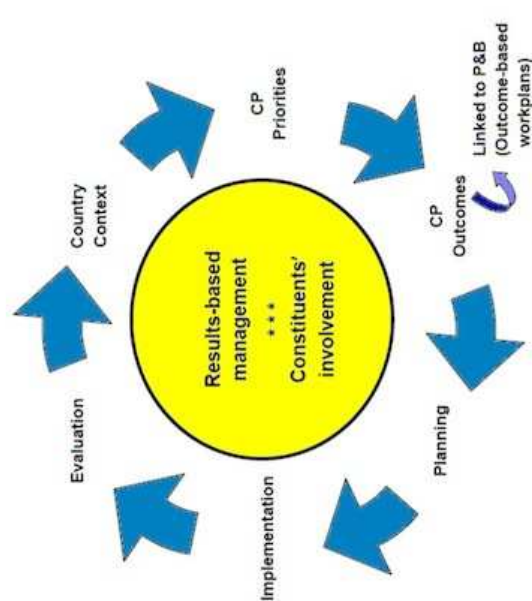
- ◆ **are significant changes** (policies, knowledge, skills, behaviours or practices, etc.) that are intended to occur as a result of actions taken by constituents with the ILO's support, whether independently or in collaboration with other partners
- ◆ establish specific **commitments** under the priorities (measurable contributions to moving the Decent Work Agenda forward)
- ◆ **contribute** to the achievement of the outcomes that are set out in the P&B

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## DWCP process

1. problem analysis and lessons learned
2. identification of priorities in line with national development plans, country programming frameworks, views of constituents and ILO's SPF and P&B
3. agreement on outcomes to be achieved
4. elaboration of an implementation plan with clear outputs, activities and resources, as an internal management tool that is separate from the public DWCP document and monitors and evaluates performance in order to adjust strategies to better achieve CP outcomes

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## DWCP review (1/2)

- ◆ management tool for those in charge of designing and delivering a DWCP
- ◆ participatory tool used to
  - review the design of a DWCP
  - examine recent performance against stated outcomes
- ◆ discern
  - what has been achieved
  - whether outputs are being converted into expected outcomes
  - whether the strategies and partnerships are effective and efficient

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## DWCP review (2/2)

- ◆ means by which constituents and other partner agencies provide their feedback regarding collaboration and coherence within a larger multi-agency context
- ◆ enables constituents and partners to consider strategies and actions needed in future

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## Criteria for DWCP reviews

- ◆ Resource adequacy
- ◆ Delivery of outputs
- ◆ Use of outputs by partners/ target groups
- ◆ Progress made (against outcome indicators/ milestones)
- ◆ Measures to respond to emerging risks and opportunities

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## More criteria

- ◆ Role and relevance of ILO in the country, its niche and comparative advantage and UN partnership approach
- ◆ Tripartite participation and partnership
- ◆ Focus and coherence of program design and strategies
- ◆ Evidence of direct and indirect results of ILO's contributions and support at national level
- ◆ Efficiency and adequacy of organizational arrangements to deliver the ILO's program
- ◆ Knowledge management and sharing

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## Design and delivery

outcome by outcome

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## Enhancing Youth Employment

- ◆ Youth-focused socio-economic development policies and programmes formulated and implemented
  - **Resource adequacy:** all needs met and resources available to sustain results
  - **Delivery of outputs:** all relevant outputs delivered
  - **Use of outputs:** all relevant outputs used and use of outputs sustainable
  - **Progress against outcome indicators:** outcome is achieved
  - **Risks and opportunities:** all opportunities seized

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## Enhancing Youth Employment

- ◆ Improved quality and relevancy of skills training courses by public and private training institutions
  - **Resource adequacy:** all needs met
  - **Delivery of outputs:** all relevant outputs delivered
  - **Use of outputs:** all relevant outputs used and use of outputs sustainable
  - **Progress against outcome indicators:** outcome is achieved
  - **Risks and opportunities:** some risks are addressed

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## Enhancing Youth Employment

- ◆ Key labour market information system supporting social and economic development policy and programme process
  - **Resource adequacy:** some needs met
  - **Delivery of outputs:** most of the outputs delivered
  - **Use of outputs:** most of the outputs used
  - **Progress against outcome indicators:** most of the outcome is achieved
  - **Risks and opportunities:** some risks are addressed

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## Integrating Employment into Rural Economic Development

- ◆ More employment generated by rural infrastructure investment programmes
  - **Resource adequacy:** all needs met and resources available to sustain results
  - **Delivery of outputs:** all relevant outputs delivered
  - **Use of outputs:** all relevant outputs used and use of outputs sustainable
  - **Progress against outcome indicators:** outcome is achieved
  - **Risks and opportunities:** all opportunities are seized

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## Integrating Employment into Rural Economic Development

- ◆ More and better services to improve micro and small enterprises in rural areas
  - **Resource adequacy:** all needs met and resources available to sustain results
  - **Delivery of outputs:** all relevant outputs delivered
  - **Use of outputs:** all relevant outputs used and use of outputs sustainable
  - **Progress against outcome indicators:** outcome is achieved
  - **Risks and opportunities:** all opportunities are seized

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## Creating Labour Market Governance

- ◆ Right-based national labour legislation in force
  - **Resource adequacy:** all needs met and resources available to sustain results
  - **Delivery of outputs:** all relevant outputs delivered and sustainable
  - **Use of outputs:** all relevant outputs used
  - **Progress against outcome indicators:** outcome is achieved
  - **Risks and opportunities:** opportunity not seized is turning into a risk

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## Creating Labour Market Governance

- ◆ Increased institutional capacity of employers' and workers' organisations to participate effectively in social and labour policy process
  - **Resource adequacy:** resources do not meet relevant needs
  - **Delivery of outputs:** some outputs are delivered
  - **Use of outputs:** all relevant outputs used
  - **Progress against outcome indicators:** some progress is made
  - **Risks and opportunities:** opportunities not sufficiently seized







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## Confirmed:

- ◆ Promotion of gender equality and tripartism, and institutional capacity building are cross-cutting themes in the above programme priorities and outcomes.

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	<h2 style="text-align: center;">Findings</h2> <p style="text-align: center;">and recommendations</p>  <p style="text-align: right; font-size: small;">Christoph David Weismann cde@wfp163.com</p>	<h3>Findings &amp; recommendations (1)</h3> <ul style="list-style-type: none"> <li>There is a significant <b>mismatch</b> between the dimensions of the DWCP and the resources available to the ILO Office in Dili.</li> <li>This constitutes an inherent <b>risk</b> that needs to be mitigated for.</li> </ul>  <p style="text-align: right; font-size: small;">Christoph David Weismann cde@wfp163.com</p>	<h3>Findings &amp; recommendations (2)</h3> <ul style="list-style-type: none"> <li>Support received by <b>employers</b> during the implementation of the DWCP has been limited. This strongly relates to the specific preferences of the donors who have been supporting the different projects implemented under the DWCP.</li> <li>It is high time to (find ways to) <b>deliver more support</b> to employers' and workers' organizations in a bid to further build their capacities.</li> </ul>  <p style="text-align: right; font-size: small;">Christoph David Weismann cde@wfp163.com</p>
		<h3>Findings &amp; recommendations (3)</h3> <ul style="list-style-type: none"> <li>"If the <b>expansion</b> will continue to require <b>strong support</b> in order to ensure timeliness of results.</li> <li>In the area of labor market information and labor force surveys, <b>skills</b> still <b>need to be strengthened</b>.</li> </ul>  <p style="text-align: right; font-size: small;">Christoph David Weismann cde@wfp163.com</p>	

## Findings & recommendations (4)

- ◆ The successful experience with the implementation of **labor based** rural **infrastructure** programs can and should be **extended to other areas** **than road construction** to maximize employment effects.

For example: rural water supply, erosion control, landscaping.

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## Findings & recommendations (6)

- ◆ With the labor code in place, the time is ripe to dedicate more efforts to **occupational safety and health (OSH)**.

In this context, there is an objective need and a demand in practice to define what **compensations** are to be paid.

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## Findings & recommendations (5)

- ◆ Although resources generally appear to be available, and employment issues are pressing, **budgetary resources** are not always as easily available as planned.

It may be useful to develop a **strategy** for achieving a higher degree of and speedier **mobilization of government funds** in order to ensure that a maximum of beneficiaries are being put to work during roll-out.

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## Findings & recommendations (7)

- ◆ The **overall level** of technical assistance put in practice is a state-of-the-art approach. This approach is appropriate to Timor-Leste. It has proven to deliver and lay the foundation for sustainability of the different DWCP outcomes.

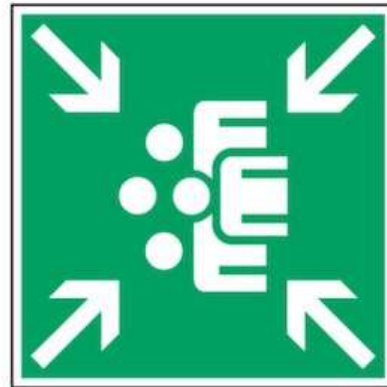
This approach will continue to be the **best-possible approach** for Timor-Leste and shall not be abandoned unless, in perspective, the specific circumstances permit otherwise.

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## Findings & recommendations (8)

- ◆ Further opportunities exist to reinforce income and employment generation in the rural areas. Options for working with methods of **local economic development** (LED) and working with **cooperatives** could be explored.
- ◆ The income and employment generation potential of a number of **sectors/ value chains** seems to not yet have been fully exploited, e.g. hospitality, fisheries.

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## Findings & recommendations (9)

- ◆ With the increasing capacity built at all ends, the **DWCP** could be made more use of **as a management tool**.

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Thank you for your interest

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## A6 Presentation in Dili (Tetum language slides)



## Revizaun ba Programa Paiz nian ba Traballu Dignu

Semináriu ka Sorumutu ho Parte  
Interesadu sira  
Dili, Timor-Leste, 2013-08-02

Christoph David Weinmann  




Christoph David Weinmann  
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### Ajenda

- ◆ Kona-bá Programa sira Paiz nian ba Traballu Desente nian (PPTD)
- ◆ Rezultadu Prelimináriu kona-bá revizaun PPTD nian
  - Dezeñu no Entrega (Distribuisaun)
  - Rekomendasaun sira
- ◆ Reasaun (opiniaun/sujestaun/ideia sira) no Diskusaun



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## Programa Paiz nian ba Traballu Desente

- ◆ nu'udár instrumentu prinsipál ba OIT kona-bá ka relasiona ho kooperaun Paiz nian
- ◆ kontein ho programa oin-oin husi Paiz ba Paiz
- ◆ iha durasaun: tinan 4-6
- ◆ ten ke iha foku no ten ke prioritiza
- ◆ ten ke rekoñese tripartizmu, diálogu sosial, igualdade jeneru no padraun internasionál sira ba traballu nian
- ◆ nu'udár xave ida hodi planeia ka halo planeamentu no implementasaun ba programa sira OIT nian ne'ebé koerente no integradu
- ◆ Aliña besik ho estratéjia sira ba dezenvolvimentu nasional, ne'ebé inklui estratéjia ba redusaun kiak nian (ERK) no UNDAFs



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## Propózitu husi PPTD

- ◆ atu gia lalaok uzu nian ne'ebé efetivu no efisiente ba rekursu sira hodi nune'e bele jenera rezultadu ida ne'ebé mak posivelmente bo'ot tebes atu hala'o ka ezekuta prioridade sira no alkansa rezultadu sira PPTD nian
- ◆ enkoraja parseria ne'ebé estratéjiku, influensia rekursu sira no mobilizasaun ba rekursu sira



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## Rezultadu sira PPTD

- nu'udár mudansa sira ne'ebé signififikante (polítika sira, koñesimentu, abilidade sira, hahalok ka prátika sira, no seluk-seluk tan) ne'ebé intende atu mosu nu'udár rezultadu ida husi asaun sira ne'ebé foti ka hala'o husi konstituinte sira ho suporte OTT nian, ne'ebé mesak deit (independentemente) ka ho kolaborasaun ho parseiru sira seluk
- harii ka estabeselese **kompromisu sira** ne'ebé espesífiku husi prioridade sira (kontribuisaun ne'ebé ita bele sukat hodi muda ka lori Ajenda Traballu Desente nian lao ba oin)
- kontribui** ba alkansu ka realizasaun sira ne'ebé determina ka koloka tiha ona iha P&B

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## Prosesu PPTD nian

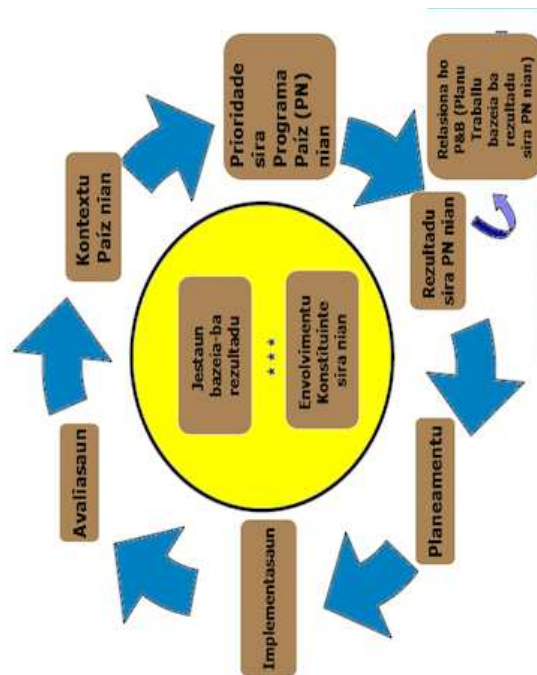
- halo análise ba problema no lisaun sira ne'ebé aprende tiha ona
- halo identifikasaun ba prioridade sira ne'ebé iha liña ho planu sira dezenvolvimentu nasional nian, eskema traballu ba programa sira Paiz nian, vizta ka ezamiPaiz konstituinte sira nian no SPF no P&B OTT nian
- akordu kona-bá rezultadu sira ne'ebé sei alkansa elaborasaun ba implementasaun planu nian ho rendimentu ne'ebé klaru, atividade no rekursu sira ne'ebé klaru moos, nu'udár ferramenta ida ba jestaun internai nian ne'ebé ketak husi dokumentu públiku PPTD nian no halo monitorizasaun no avalia dezempenhu atu bele ajusta estratéjia sira hodi nune'e bele alkansa didiak rezultadu sira PN (Programa Paiz) nian

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## Revizaun ba PPTD (1/2)

- Nu'udár ferramenta ba jestaun ba sira ne'ebé enkarregadu hodi dezeña no entrega ka expande Programa ida hanesan PPTD ne'e
- Ferramenta partisipatóriu ne'ebé uza ba
  - halo revizaun hodi dezeña programa ida hanesan PPTD
  - ezamina dezempenhu resente (agora daudauk ne'e) kona-bá rezultadu sira mak exprime ka hatu'o tiha ona Dizserne ka buat hirak ne'ebé ita bele persebe ka hatene mak hanesan tuir mai ne'e:
  - saída mak ita alkansa tiha ona?
  - ninia rezultadu sira ne'e konverte tiha ona ba rendimentu sira ne'ebé ita hein ka seidauk?
  - ninia estratéjia sira no parseria sira ne'e efektivu no efisiente duni ka lae?

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## Revizaun ba PPTD (2/2)

- ◆ nu'udár meu ida ne'ebé konstituante sira no ajensia parseria sira seluk bele fornese sira nia reasaun (opiniaun/sujestaun/ideia) kona-bá kolaborasaun no koerensia iha kontextu multi-ajensia ida nia laran ne'ebé bo'ot tebes
- ◆ permite konstituante no parseiru sira atu konsidera kona-bá estratéjia no asaun sira ne'ebé sei prezisa iha loron oin mai (iha futuru)

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## Kritériu sira ba revizaun PPTD nian

- ◆ Rekursu ne'ebé adekuadu
- ◆ Entrega ka Distribui Rendimentu sira
- ◆ Uzu ba rendimentu sira husi parseiru sira /grupu alvu sira
- ◆ Progresu ne'ebé atinje tiha ona (kompara ho indikadór sira ba rezultadu nian/todan sira ne'ebé iha kba'az)
- ◆ Sasukat sira hodi responde ba risku sira ne'ebé bele mosu no mos oportunidade sira ne'ebé sei iha ka mosu iha loron oin mai (iha futuru)

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