

# UNDP Country Programme for Timor-Leste (2009-2013)

## Contents

	<i>Paragraphs</i>	<i>Page</i>
I. Situation analysis.....	1-4	2
II. Past cooperation and lessons learned.....	5-8	2
III. Proposed programme.....	9-19	3
IV. Programme management, monitoring and evaluation.....	20-22	5
Annex Results and resources framework for Timor-Leste (2009-2013) .....		6

---

## **I. Situation analysis**

1. The UNDP country programme for Timor-Leste, formulated in partnership with the GoTL, has benefited from various stakeholder consultations. It builds on the 2009-2013 UNDAF.
2. Since independence in May 2002, Timor-Leste has adopted a constitution providing for a democratic, pluralistic society and fundamental rights and freedoms. The presidential and parliamentary elections were held in 2007 in a free, fair and peaceful manner. Peace remains fragile, however, with recurring violent incidents as witnessed in 2006 and 2007.
3. The UN Integrated Mission in Timor-Leste (UNMIT) operates under the mandate provided by the Security Council Resolution 1704. This mandate was extended till 26 February 2009 by SC Resolution 1802 of 21 February 2008. The emphasis is expected to shift from peace-keeping to peace building over time. The UNDP country programme, together with those of other UN agencies and funds, has been formulated so as to directly support the integrated mission's overall mandate.
4. The economy is characterized by slow and volatile GDP growth, high unemployment and poverty. Over 40 per cent of the population lives below the national poverty line; there is high food insecurity, with nearly 43 per cent of people are either highly food-insecure or vulnerable to becoming so; and the level of human development is very low (150<sup>th</sup> out of 177 countries on the HDI). Population growth at 3.2 per cent per annum and rapid increases in the prices of commodities consumed by the poor compound the picture. Against this background, Timor-Leste faces five key development challenges: (a) return and reintegration of large numbers of IDPs; (b) severe capacity gaps, adversely affecting the effective functioning of democracy; (c) stimulating and stabilizing economic growth when the labour market is such that 15,000 youth enter it annually with only a fraction finding employment; (d) gender inequalities with extremely high infant and maternal mortality rates which contribute to deprivation and discrimination; and (e) demographic explosion with average fertility rate of 7.8, one of the highest in the world, exerting pressure on the economy, social services and natural resources. Though prevalence of HIV/AIDS is reportedly under 1 percent, conditions that could trigger an increase are present and call for preventive action.
4. The Government lays great emphasis on the resettlement of returning IDPs and on creating social cohesion, good governance, poverty reduction and environmental sustainability as reflected in the programme of the 4th Constitutional Government, which was adopted by the National Parliament in late 2008. Further, in preparing the State of the Nation Report, the Government has identified four major priorities for the next five years which are expected to be included in the next national development plan, these being infrastructure, production-related areas, provision of social services and governance.

## **II. Past cooperation and lessons learned**

5. The country programme for 2003-2008 focused on democratic governance, poverty reduction, rehabilitation and community development. UNDP governance programmes included support for elections, creation of a functioning judiciary, major civil service reforms and capacity-building efforts across the institutional landscape. UNDP's experience indicate that excessive dependence of governance institutions on international expertise could undermine long-term capacity development. The two national human development reports (2002 and 2006) and the Millennium Development Report, 2004, contributed to a better understanding of the dimensions of human poverty in Timor-Leste. The macro-level policy interventions were matched by UNDP community-level initiatives such as mobilization through self-help groups, small infrastructure rehabilitation projects contributing to poverty reduction, and women's empowerment. UNDP has also provided

significant help to the Government in meeting its commitments under international environmental conventions.

6. With regard to crisis prevention and recovery, involvement of, and investment in, traditional and local leaders are paramount, together with creating institutions which can adapt to rapidly changing needs. Development programmes in poverty reduction, governance and natural resource management could benefit significantly from applying a conflict-sensitive lens. Women should be more involved, not only as direct beneficiaries but also as active players in peace-building and decision-making at all levels.

7. The ongoing programme has shown the need to stimulate the economy by medium-term income generation programmes to create facilitating conditions for the return of IDPs. In collaboration with partners, UNDP has also learned valuable lessons in planning for response to urgent humanitarian needs within the framework of the Humanitarian Coordination Committee. Furthermore, UNDP has cooperated with the UNMIT in supporting the 2007 national elections and providing assistance to the justice sector.

8. The current programme has responded and adapted to the crisis of 2006 by creating a crisis prevention and recovery (CPR) unit. Due to the special circumstances there was no overall evaluation of the last UNDP programme. However, most individual programmes were evaluated and results factored in to the new programme design. The design of new capacity development activities will include exit strategies. A summary of information on programme results (2003-2008) is available.

### **III. Proposed programme**

9. The proposed country programme is anchored in the UNDAF, 2009-2013, and contributes to the goal of consolidating peace and stability in the country through the relevant UNDAF outcomes: (a) democratization and social cohesion; and (b) poverty reduction and sustainable livelihoods. The programme is contextualised in the post-crisis scenario and focuses on development and governance as means for contributing to lasting peace, stability and security in the country, in partnership with the UNCT and UNMIT. The programme is well-aligned with the national priorities.

10. The new country programme will continue to focus on strengthening the institutions of democratic governance; promoting community-based poverty reduction and livelihoods with special focus on youth and women; mainstreaming environmental sustainability and disaster risk reduction in development policies and programmes; promoting peace and stability; and providing policy support to the national institutions. This will be achieved through capacity development which follows a rights-based approach that promotes inclusion of disadvantaged groups. The governance portfolio, a niche area of UNDP Timor-Leste, will be strengthened through linkages with other programming areas which are related closely to this sector. Opportunities for Timor-Leste to learn through South-South cooperation will continue to be explored. The programme is designed to address gender inequalities across all areas. It will also provide direct support in policy formulation such as the 'State of the Nation' report and similar policy documents.

11. The programme will focus on outcomes concentrating on: poverty reduction and achieving the MDGs (3 outcomes), plus energy and environment; democratic governance; and crisis prevention and recovery. Gender will be a cross-cutting issue.

#### **A. Poverty reduction, environment and sustainable development**

12. The following UNDP interventions in poverty reduction will be linked to the areas of governance, civil society and media: (a) macro-economic policy issues such as human development and MDG-based national development planning, tax reforms, effective and transparent use of the petroleum fund, microfinance policies and energy and environment policies; and (b) building on previous projects, the second level will focus on rural and urban employment creation areas targeting vulnerable groups such as returning IDPs,

---

youth, women and food-insecure households. The programme will use social mobilization as a poverty reduction strategy, linking communities to microfinance services and marketing channels. This programme will benefit from lessons learned and mainstream ‘best practices’ into government strategies and programmes, emphasizing improved agricultural techniques (especially in areas prone to food-insecurity), the community development fund approach for community-driven and managed rural infrastructure, and self-help groups where relevant. Community-based, sustainable natural resource management to enhance agricultural productivity and incomes will be promoted. Women’s groups will continue to be engaged as agents of change.

13. The programme will work with UN Capital Development Fund (UNCDF) to strengthen microfinance institutions and enhance banking literacy in rural areas to make those institutions more inclusive through the development of pro-poor products and services. A coherent policy framework, sustainable outreach of financial services, and a viable financial business support infrastructure –particularly for women entrepreneurs – will be promoted. The programme will work with other UN agencies to promote poverty reduction through three-way public-private-community partnerships. Poverty reduction efforts will be supplemented by small but critical community-based infrastructure initiatives to enhance rural employment and to build appropriate community skills for maintenance of the infrastructure. In HIV/AIDS, UNDP will support the work of other partners.

14. UNDP will continue to support the mainstreaming of environmental issues into poverty reduction and good governance strategies, particularly in climate change. It will strengthen support to the Government in environmental management, including the implementation of national environment and energy policies and compliance with international conventions, through support to environmental institutions and by strengthening policy, legislative and regulatory mechanisms. Access to energy for vulnerable and isolated communities will be promoted through alternative and renewable sources of energy. UNDP will work with the Government and civil society to promote sustainable land management to increase agricultural productivity and prevent unsustainable practices such as ‘slash-and-burn’. It will initiate work on the urban environment by tackling solid waste disposal and generating incomes from recycling. Environmental education will also be promoted by strengthening civil society and media.

## **B. Democratic governance**

15. UNDP will continue to support the strengthening of democratic governance, in close collaboration with other development partners in the sector, to make it more efficient, transparent, accountable and responsive to the people. The programme will assist the electoral process to conform to international standards and strengthen the capacities of the electoral bodies; strengthen the legislative and oversight roles of the Parliament; and promote greater political involvement of women. The programme will develop the capacity of Timorese civil society organizations to perform their ‘watch-dog’ function and strengthen the principles of democracy and good governance. To deepen democracy, the programme will support piloting local government systems; drafting of policy and legislation for decentralization and local government; and building of the capacity of local government in line with the national agenda. UNDP will contribute to the improvement of print and electronic media by providing training to journalists and strengthening media institutions.

16. Support to civil service reform aims at development of the institutional, organizational and human capacities needed to execute core public management functions in an environment of open, structured, reliable, transparent and accountable government. UNDP will continue to support the justice system in the country through the three constitutionally separate institutions: the judiciary, prosecution and the justice ministry. Based on lessons learned from the past review of the justice programme, there will be greater focus on improving access to justice by legally empowering disadvantaged people through awareness-raising and legal aid, and by exploring ways to work with informal justice systems. UNDP will work towards capacity development in human rights

institutions such as Provedoria (the Ombudsman's Office), with technical support from the OHCHR. Support will also be provided to strengthen the capacity of the Office of the President and assist the process of possible accession to ASEAN.

### **C. Crisis prevention and recovery**

17. UNDP CPR efforts will focus on the structural causes of conflict while laying the foundations for early recovery and development. Close linkages will be established with the governance, poverty reduction and environment portfolios to provide a holistic response to the challenges of human security in Timor-Leste. The programme will support the implementation of the NRS, in close coordination with UN agencies and other development partners, to find durable solutions for the reintegration of displaced persons, recognizing the need to address both the immediate causes of crisis and pre-existing community-level vulnerabilities. It will support the government in restoring and sustaining social cohesion and peace in the country by adopting an inclusive approach that addresses vulnerability among the returning IDPs and the rest of the community. The crisis prevention and recovery programme, working with the governance portfolio, will promote access to justice as a tool for conflict prevention by supporting relevant information channels and expanding the interface between traditional and formal justice systems. Similarly, support will be provided to make poverty-reduction strategies more conflict-sensitive and establish post-crisis socio-economic structures. In close collaboration with UNMIT, it will also promote civilian oversight, transparency and accountability of security actors, and strengthen national and local capacities for dialogue and conflict management, involving youth.

18. The potential role of women in conflict mitigation, peace building and social cohesion will be harnessed in line with the UNDP eight point Agenda on Gender Equality and Women's Empowerment in Crisis and Post-Crisis Environments. In support of the Government's National Policy on Disaster Risk Management, UNDP will assist in the development of a multi-hazard and multi-stakeholder framework for disaster risk reduction and management and capacity development at national and community levels.

19. The Programme will collaborate closely with the UNCT, UNMIT, IFIs and other bilateral/ multilateral partners. UNDP has been part of several joint initiatives to achieve synergies in support of the UNDAF goals. The joint-initiative with UNMIT in undertaking a security-sector review will lay the basis for future reform of the sector. UNDP will continue to promote volunteerism to enhance social cohesion and community participation, particularly of young women and men. UNDP bureaux such as the BCPR and the regional service centres will continue to help in relevant areas.

## **IV. Programme management, monitoring and evaluation**

20. The country programme will be executed nationally, under the direction of the Government of Timor Leste and in partnership with the national authorities. In view of the limited national capacities, most of the activities under the programme are expected to be implemented by UNDP, at government request, with a strong emphasis on a phased move towards Government taking over the implementation. The government coordinating agency will approve the country programme action plan and guide its implementation. Annual Work Plans (AWPs) will be approved with the concurrence of the concerned line ministries. An outcome board and other necessary modalities will be established for monitoring purposes. The proposed programme will promote aid effectiveness, national ownership and capacity-building.

21. The programme includes a mid-term evaluation, to recommend course corrections, if any, and a final evaluation that will feed into the programme of the next cycle.

22. The resource requirement of the country programme is estimated at \$100 million. Of this, \$12.7 million would be available through UNDP regular resources; the rest is a target for resource mobilization, including from United Nations trust funds.

## Acronyms and abbreviations

ASEAN	Association of Southeast Asian Nations
AWP	Annual work plan
BCPR	Bureau for Crisis Prevention and Recovery
CPR	Crisis Prevention and Recovery
CNE	National Electoral Commission
CNJTL	National Youth Council in Timor-Leste
CoM	Council of Ministers
CSO	Civil society organizations
DDMC	District disaster management committees
ETSSC	Technical Secretariat for Election Administration
DNAS	Direcção Nacional de Água e Saneamento (National Directorate of Water and Sanitation)
ETSSC	East Timorese Student Solidarity Council
FAO	Food and Agricultural Organization
FDTL	Defense Force of Timor-Leste
FONGTIL	NGO Forum of Timor-Leste
GDP	Gross Domestic Product
GoTL	Government of Timor-Leste
HDI	Human Development Index
IDPs	Internally Displaced Persons
IFIs	International financial institutions
IMWG	Inter-Ministerial Working Group
INAP	Public Administration National Institute
MAF	Ministry of Agriculture and Fisheries
MFI	Micro-Finance Institution
MoE	Ministry of Education
MoED	Ministry of Economy and Development
MoF	Ministry of Finance
MoH	Minister of Health
MoI	Ministry of the Interior
MoJ	Ministry of Justice
MoSATO	Ministry of State Administration and Territorial Management
MSA	Ministry of State Administration
MSS	Minister for Social Solidarity
NDMD	National Disaster Management Directorate
NDPS	National Directorate for Public Service
NGO	Non-governmental organization
NRS	National Recovery Strategy
OHCHR	Office of the High Commissioner for Human Rights
OoP	Office of the President
OVPM	Office of the Vice Prime Minister
PNTL	National Police of Timor-Leste
SEPI	Secretary of State for Promotion of Equality
SHG	Self-Help Groups
SoS	Secretary of State
SoSD	Secretary of State for Security and Defense
SoSS	Secretary of State for Social Security
SoSYS	Secretary of State for Youth and Sports
SSAR	Secretary of State for Administrative Reform
SSVTE	Secretary of State for Vocational Training and Employment
STAE	Technical Secretariat for Election Administration
UNCDF	United Nations Capital Development Fund
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNMIT	United Nations Integrated Mission in Timor-Leste

UNDP Timor Leste Country Programme Document, 2009-2013

<b>National Priority:</b> Development of institutional capacity, transparency and accountability; Stabilization of the justice and security sectors; Promotion of social cohesion.						
<b>UNDAF Outcome 1:</b> By 2013, stronger democratic institutions and mechanisms for social cohesion are consolidated.						
<b>Relevant MDGs:</b> MDG 1: Eradicate extreme poverty and hunger; MDG 3 Promote gender equality and empower women.						
Programme Component	Programme Outcomes	Programme Outputs	Indicators	Baselines	Partners (Acronym list follows)	Indicative Resources (\$ million)
<b>Democratic Governance</b>	<b>Outcome 1:</b> State institutions strengthened through interventions aimed at improving institutional capacity in planning, efficiency, accountability and transparency.	<b>1.1</b> Improved institutional capacity of the Parliament, civil service, electoral bodies, Provedoria and the Office of the President to fulfil their respective mandates efficiently and effectively.	1.1.1. Introduction of legal and operational management policies and no. of training for staff 1.1.2. Relevant policies and legislation approved 1.1.3. Methodology and tools for strategic planning approved; 1.1.4. % of Ministries utilising planning tools, including capacity development action plans;	Outdated Organic Laws and absence of operational systems State institutions reliant on international technical assistance Lack of clear policy and guidelines for identifying and addressing capacity development needs;	OoP, Parliament MSA, SSAR, NDPS, MOF, INAP, MoSATO, Provedoria, MoJ, STAE and CNE	<b>Regular: 2.5</b> <b>Others: 57.5</b>
		<b>1.2</b> Capacity of Courts, Prosecution and Ministry of Justice strengthened to guarantee access to prompt, transparent and equitable justice for all	1.2.1. National court actors increased; 1.2.2. No. of case backlog decreased; 1.2.3. No. of outreach sessions to the public 1.2.4 Policies on the role of traditional justice system in place	Justice system reliant on international technical assistance; 4,700 cases pending at Prosecution; Population (esp. women, youth & disenfranchised groups) with limited information on justice, basic rights and freedoms. Unclear role of traditional justice system	MOJ, Public Prosecutor's Office, Courts,	
	<b>Outcome 2:</b> Increase in social cohesion and citizen participation	<b>2.1</b> Effective and accountable local government established and capacity of civil society and independent media increased to foster citizen participation	2.1.1. Policy and legislation for decentralization and Local Government approved by Council of Ministers and National Parliament 2.1.2. No. of regular discussions between local government officials, parliamentary committees & other state bodies 2.1.3. No. of training for journalists	No existing local government system in place Low levels of broad civic education awareness and weak institutional capacity of CSOs. Capacity of print, radio & broadcast journalists remains limited, esp. in the districts	MoSATO Local Communities FONGTIL, CNJTL, ETSSC, Rede Feto	
<b>Crisis Prevention &amp; Recovery</b>	<b>Outcome 8:</b> Basic foundations for post-crisis security, social cohesion, conflict analysis and resolution strengthened	<b>8.1</b> Capacities of institutions & communities (incl. women and youth) strengthened to prevent, reduce, mitigate & cope with the impact of violent conflicts, & to engage in peacebuilding initiatives	8.1.1 % of sectors mainstreaming conflict analysis and resolution mechanisms 8.1.2 Conflict sensitive approach incorporated into the national development processes 8.1.3 Civilian oversight and accountabilities of security actors	Limited conflict resolution mechanisms in place; Weak capacity of security actors/systems	SoSS, SoSD, OoP, MSS, MSA, PNLT, F-FDTL, Parliamentary Committee B, SoSYS, CSOs, Media, political parties	

<b>National Priority:</b> Fight against poverty to improve living conditions of the Timorese focusing on environmental conservation, regional development and youth and women, in a post-conflict context						
<b>UNDAF Outcome 2:</b> By 2013, vulnerable groups experience significant improvement in sustainable livelihoods, poverty reduction & disaster risk management within an overarching CPR context.						
<b>Relevant MDGs:</b> MDG 1 Eradicate extreme poverty and hunger; MDG 3 Promote gender equality and empower women; MDG 7 Ensure environmental sustainability.						
<b>Programme Component</b>	<b>Programme Outcomes</b>	<b>Programme Outputs</b>	<b>Output indicators</b>	<b>Baselines</b>	<b>Partners(Acronym list follows)</b>	<b>Indicative Resources (\$ million)</b>
<b>Poverty Reduction and Achievement of the MDGs</b>	<b>Outcome 3:</b> Vulnerable groups have improved access to livelihoods	<b>3.1</b> Rural communities have micro enterprises through improved microfinance & access to markets	3.1.1. A microfinance policy for serving the vulnerable groups is adopted	Very limited outreach of financial services in rural areas	MoED, MoF, MFIs, Local govt SHGs, NGOs, business & UN agencies (eg. FAO & UNCDF)	<b>Regular: 5.4 Others: 15.6</b>
		<b>3.2</b> Inclusive rural and urban livelihoods initiatives to foster a stable and secure environment.	3.2.1. Community mobilisation mainstreamed in livelihoods policy	Weak implementation of rural livelihoods initiatives	MAF, MoED, MFIs, Local govt, SHGs, NGOs, business & UN agencies	
	<b>Outcome 4:</b> Community based natural resource and energy management for poverty reduction capacity strengthened.	<b>4.1</b> Institution strengthened for community management of natural resources.	4.1.1. No. of villages participating in sustainable management of natural resources programmes.	Non-existent local mechanisms to ensure sustainable natural resource management practices	MAF, MoED, MoF, MFIs, MoH, SoSs of Vocational Training, Environment, Local govt, Women's network, SHG, NGOs,	
		<b>4.2</b> Better access to renewable rural energy to improve living conditions and incomes.	4.2.1. Community based NRM and rural energy policy is in place	No. of villages with no access to any energy source		
	<b>Outcome 5:</b> Capacities for human development and MDG based pro-poor policies enhanced.	<b>5.1</b> Pro-poor policies on tax reform & petroleum fund; human development & MDG perspectives incl. HIV/AIDS in programmes/policies & poverty monitoring.	5.1.1. No. of policy recommendations and technical assistance from UNDP incorporated in development policies, plans and programmes and reporting.	Limited mainstreaming of human development and the MDGs in policies	MoF, MoED, academic and research institutions, Parliament, NGOs, UN Agencies, IFIs	
<b>Environment &amp; Sustainable Development Mechanisms</b>	<b>Outcome 6:</b> Improved capacities of govt institutions & communities for environmental resource management, & implementation of adaptation strategies	<b>6.1</b> Capacities of key line ministries strengthened for management of natural resources in compliance with the multilateral environmental agreements.	6.1.1. No. of policies and strategic directions given by the Inter-ministerial Working Group on Environment and Natural Resource Management.	No strategic plans for climate change adaptation or NRM in place. IMWG on Environment & Natural resource Mgt new.	MAF, MoE, Parliament Commission D; IMWG Environment & Natural Resource Management.	<b>Regular: 0.3 Others: 3.7</b>
		<b>6.2</b> Public awareness and education on environmental & disaster management issues developed	6.2.1. Environmental & disaster management education curriculum and public awareness strategy developed in line with govt priorities	Environment and disaster management in education lacks a full curriculum; No public awareness strategy.		
<b>Crisis Prevention &amp; Recovery</b>	<b>Outcome 7:</b> National capacity built for restoring the foundations for development following conflict or disaster	<b>7.1</b> Institutions and communities strengthened to prevent, reduce, mitigate and cope with disease outbreaks, natural disasters and climate change	7.1.1. Institutional capacities and frameworks linking concerned government authorities with communities and reflecting the principles of the Hyogo Framework of Action are in place	Limited institutional capacity and framework to manage disaster risks, response and recovery.	OVPM, NDMD, DDMCs, MSA, MoEC, PNTL, F-FDTL, SSVTE, Media, CSOs	<b>Regular: 4.5 Others:10.5</b>
		<b>7.2</b> Policies, mechanisms, programmes strengthened at local level to improve social cohesion and socio-economic conditions of vulnerable communities	7.2.1 No. of vulnerable persons incl. returnees benefiting 7.2.2 No. of relevant systems and programmes adopted / operationalised 7.2.3 % improvement in living conditions of vulnerable persons 7.2.4 No. of community dialogues / direct mediations undertaken	100,000 IDPs living in camps and with host families	MSS, MSA, MoED, MAFF, MoI, SSVTE, SEPI, DNAS, CSOs	