

**Encouraging Global Anticorruption and Good Governance Efforts (ENGAGE)  
SECTION A –REQUEST FOR TASK ORDER PROPOSAL (RFTOP)**

**Threshold Program for Anti-Corruption (TPA) in Timor Leste**

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## **SECTION C – DESCRIPTION / SPECIFICATIONS/STATEMENT OF WORK**

### **I. PURPOSE**

Funded by the Millennium Challenge Corporation (MCC) and administered by USAID in partnership with the Government of Timor Leste (RDTL), the Threshold Program for Anti-Corruption (TPA) seeks to reduce corruption through an integrated approach, by building a network of functioning, effective anti-corruption institutions and actors with the capacity to deter, detect, and sanction corruption. The 36-month program will be implemented under an Assistance Agreement (AA) between the United States Government, represented by USAID, and the RDTL. The TPA will emphasize building human and institutional capacity and developing linkages among the various institutions and actors to create a coordinated approach to fighting corruption.

### **II. BACKGROUND**

Timor Leste (TL) is a small country covering half the island of Timor in the Timor Sea. It has a land mass of approximately 14,610 square kilometers with a population in 2006 of 1,015,187. The country is divided into 13 districts, each with four to six sub-districts. The Oecusse District is an enclave located inside West Timor and accessible primarily by sea or air. The two largest urban centers, Dili and Baucau, are home to 29% of the population. Seventy percent of the population is rural with most people living in small, scattered villages often isolated by mountainous terrain and poor roads. During the wet season many communities are isolated by landslides or lack of functional bridges.

Linguistic diversity presents another challenge with at least 33 different local languages identified throughout the country. Tetun and Portuguese are the official languages and Tetun, Portuguese, English and Indonesian are the working languages. Except for Dili and Baucau, less than 13% of the population speaks Portuguese in the remaining 11 districts. Whereas more than 80% of Dili residents speak Tetun and Indonesian, fewer than 50% of people in each of the 12 districts claim competency in these two languages. English language usage is increasing very rapidly in the recent years. (Timor Leste Census of Population and Housing 2004)

The Catholic Church plays a crucial role in the social and cultural living of Timorese people. More than 90% of the population is catholic, and the Catholic Church runs education and health institutions are the major partners of the government.

The new country suffered a harsh setback in April 2006 when a political crisis erupted in violence. Alleging discrimination based on geographic origin, nearly 40 percent of the country's armed forces mutinied. The violence resulted in 38 casualties, an estimated 1,650 houses destroyed, and approximately 150,000 people displaced from their homes. International peacekeepers were again mobilized to Timor Leste to stabilize the situation. United Nations Police remain in Timor Leste as trainers of the Timor Leste Police and implementers of law and order.

Timor Leste's economic performance is dominated by revenue from oil and gas production in the Timor Sea. In 2008, royalties reached \$2.4 billion but fell in 2009 due to lower energy prices. Royalties are deposited in the Petroleum Fund that stood at over \$5 billion by mid-2009 and continues rising. The government withdraws a calculated amount annually that is supposed to permit a steady income to Timor Leste after the oil fields no longer pump oil. So far, the Government's withdrawals have been close to the "sustainable" level: \$589 million in 2009 and an anticipated \$502 million in 2010. Government spending is currently targeted at constructing basic infrastructure and building the foundation for water/sanitation, education, health and similar public services.

Timor Leste has a high economic growth rate. It grew at 12% in 2008, 9 % in 2009 and 10% in 2010. The rest of the economy has performed irregularly. Agribusiness accounts for most of gross domestic product. Total exports exceeded \$10 million in 2008 with coffee, where USAID assistance has been critical, accounting for \$8 million of that.

Despite Timor Leste's poverty and political setbacks, the country has had some successes in nation-building. Timor Leste is one of the only two countries in East Asia to have signed up to the Extractive Industries Transparency Initiative (EITI). The discipline demonstrated in establishing and maintaining the Petroleum Fund is ample evidence of the RDTL'S commitment to EITI principles. Indeed, in April 2008, the Fund was ranked fifth out of 34 similar sovereign wealth funds from all over the world – and third in the category of Accountability and Transparency for its adherence to best management practices. Timor Leste became eligible for assistance from the Millennium Challenge Account (MCA) in 2006 based on its policy performance.

The RDTL's strategy for maintaining stability has largely centered on providing financial incentives – cash payments and subsidies – to groups such as the petitioners and IDPs. Such a strategy carries long-term risks, as it may encourage a culture of entitlement or, worse, be seen as a reward for deviant behavior. The approach is also unsustainable and, perhaps most importantly, does little to address the root causes of the 2006 crisis, which the CVA identified as: disagreements and rivalries among Timor Leste's small political elite that date back to the pre-occupation period; weak and politicized institutions of governance, especially in the security sector; severe inadequacies in the justice system; widespread absence of reliable information and severely limited formal channels for communication; and a disaffected, disillusioned and largely disempowered population.

The RDTL presented its second multi-year National Development Plan to development partners in April 2010. Priorities are shown in a matrix of policy actions developed annually that is jointly monitored with the international community. If implemented, many of the policy actions, as well as the budget would move a step closer to addressing the root causes of the 2006 crisis. However, the Government faces many challenges in implementing such a range of activities. In 2009, the Government succeeded in executing about 60 percent of its total budget and nearly 90 percent of the budget for capital and development. Human resource constraints are not limited to the Government. They apply to all sectors of Timorese society, including other state institutions, such as the judiciary and legislature, the private sector, non-governmental organizations, the media and other elements of civil society.

A number of long standing democracy and governance issues continue to challenge this new nation. Both the 2004 USAID democracy and governance assessment and 2006 conflict vulnerability assessment (CVA) highlighted the weakness of the judicial system: the concentration of power at the executive level in the capital, Dili; the lack of consistent and reliable public information on Government and legislative performance; and weak public service delivery. The latter is particularly true in rural areas where 80% of the population lives. USAID's strategy has been and remains directed at helping the people of Timor Leste respond to these challenges.

The concentration of power within the executive branch of government can have damaging effects on governance, particularly if it results in abuse of power and corruption. Systematic data regarding the scale of corruption in Timor Leste does not exist, however, corruption is perceived to be a widespread phenomenon in Timor Leste.

There are a number of formal institutions whose mandates include oversight, particularly with regard to but not exclusive to combating corruption. Currently, these are: the Office of the Inspector General-- responsible for internal audit; the High Administrative Tax and Audit Court-- responsible for external audit, but which has not yet been established; and the Office of the Prosecutor-General-- which prosecutes cases of corruption; and the nascent Anti-Corruption Commission. The law establishing the Anti-Corruption Commission was promulgated July 15, 2009 and came into effect October 2009. This law shifts the corruption mandate from the Office of the Provedor, which was established in 2006 and has held the corruption mandate since that time, to the Anti-Corruption Commission, leaving the Office of the Provedor with only the Human Rights component of its original mandate. It bears noting that U.S. assistance was instrumental in the development of the Office of the Provedor and will continue to be responsive to the evolving policy environment, primarily through the TPA.

Independent media and civil society organizations (CSOs) can also be powerful channels for citizens to hold their government accountable and contribute to the system of checks and balances. In Timor Leste, these groups are still ill-equipped to play this critical role. While there are no significant legal barriers to acquiring information, access to information, particularly outside of Dili, is quite limited, one of the key causes of the 2006 crisis according to the CVA. Investigative journalism is at an infant stage while many media outlets face ongoing problems with financial sustainability. The same is true of civil society organizations, which lack the technical capacity to collect and channel public opinion and other critical information to policy-makers. The United States is the leading supporter of Timor Leste's independent media, a project that Australian Agency for International Development (AusAID) continuously buys into and supports USG supported programming trainings journalists, senior editors and university students in both technical skills and basic social communications in addition to providing venues in targeted districts for journalists and communities to access information, especially via the internet. U.S. assistance will continue to support the media sector and seek to strengthen the capacity of local civil society organizations to advocate to government on behalf of citizens.

Timor-Leste was selected by MCC for Threshold eligibility in fiscal year (FY) 2009. The RDTL, in consultation with USAID, developed a Threshold Country Plan (TCP) to target two of the policy areas in which Timor-Leste performed relatively lower than its income peers in FY2009, as measured by MCC's Scorecard indicators, found in Appendix D. The RDTL chose to focus on the Control of Corruption and Immunization Rates indicators. This SOW describes the Anti-Corruption portion of the Threshold Program.

More detailed information on the state of corruption in Timor Leste can be found in Appendix A. 'Lessons Learned Fighting Corruption in MCC Threshold Countries: The USAID Experience' can be found in Appendix E.

### **III. PROGRAM OBJECTIVES**

The TPA seeks to reduce corruption in Timor Leste by strengthening institutions and organizations with mandates to promote government transparency and accountability, and by fostering integration and collaboration among these institutions/organizations. Implemented under a bilateral Assistance Agreement (AA) between the United States of America (US) and the RDTL, this program will be designed to integrate with a portfolio that includes other USAID projects and to complement programs funded by other donor organizations.

### **IV. SCOPE OF WORK**

This TPA is intended to increase transparency and the accountability of government institutions, thus reducing corruption. The program consists of support to the following institutions or RDTL administrative reform priorities:

1. Component A: Anti-Corruption Commission;
2. Component B: Office of the Prosecutor General;
3. Component C: External Audit Authority;
4. Component D: Procurement Policies and Practices;
5. Component E: Fiscal Oversight Skills of the National Parliament; and
6. Component F: External Watchdog and Public Advocacy Efforts.

The Contractor shall implement this activity in cooperation with relevant counterparts from the RDTL in accordance with the AA, in an integrated approach, working cooperatively with other donors and with any contractors engaged to monitor and evaluate the program.

The total time period for this task order is 36 months. Offerors should propose integrated technical approaches that focus on results and on creating synergies among the program's six components and partners. Sound approaches will involve NGOs and media in activities for each component of the

threshold program as a means of enhancing transparency and strengthening access to information and external oversight. Also, sound technical approaches will incorporate gender concerns.

Certain TPA activities cannot commence until certain 'conditions precedent' are fulfilled by the RDTL that ensure an enabling environment for respective components. These 'conditions precedent' are found in Appendix C. To successfully implement the threshold program components, it will be necessary to develop a close working relationship with the various RDTL institutions and remain sensitive to political concerns during project implementation. Additional information on the TPA's performance management plan (M&E) can be found in Appendix B, which identifies illustrative activities, outputs, assumptions, and outcome indicators for each component that will ultimately result in improved control of corruption. MCC's FY09 and FY10 Indicator Scorecards for Timor Leste can be found in Appendix D.

## **1. Component A – Anti-Corruption Commission**

### **Background:**

The Anti-Corruption Commission (ACC) was established in August 2009 by an unusual and nearly unanimous vote in the normally divisive parliament of Timor Leste. Responsible for corruption prevention, education, and investigation, the ACC will take over anti-corruption functions previously assigned to the Ombudsman and the Inspector General but is vested with expanded criminal investigations authority, including (subject to judicial approval) identification and detainment, search, seizure of assets, surveillance and wiretapping. The expanded powers of the Commission, however, do not include prosecution which continues to reside with the Office of the Prosecutor General.

In the last two years, Timor Leste has taken many positive steps to combat corruption and signal its serious commitment to good governance. The Prime Minister's "Year of Administrative Reform" in 2008 provided the impetus for a steady series of legislative actions that included the creation of a parliamentary sub-commission on corruption, the ratification of the United Nations Convention Against Corruption, and the consequent passage of laws creating the Civil Service Commission and the ACC. The latter with its expanded criminal investigations authority, in particular, has the potential to become a very powerful institution against corruption.

The Commissioner of the ACC and two Deputy Commissioners are in place, while recruiting for four National Directors and technical staff is currently underway. Immediate technical assistance and training in the areas of investigation, prevention, and public outreach and education are needed to help fulfill its mandate.

### **Purpose:**

The purpose of this component is to build the ACC's capacity to effectively implement corruption prevention, education and investigation activities, and build linkages with other oversight institutions.

### **Expected Results:**

By the program's completion, Timor Leste will have a functioning ACC which investigates cases of alleged corruption and, if warranted, refers those findings to the Office of the Prosecutor General (OPG). Additional expected results are included in the Monitoring and Evaluation Section below and referenced in Appendix B.

### **Activities:**

The activities listed below are preliminary, and not exhaustive. Precise activities will depend on the Contractor's technical approach and other factors that will come into sharper relief as implementation progresses. Based on the approved work plan, the Contractor will have latitude to implement innovative solutions that are responsive to functional requirements.

- The Contractor shall assist the ACC and train its staff to carry out corruption prevention, education, and investigation activities, as well as manage the administration and management of cases. Activities would likely include specialized training in financial management, financial analysis, investigation skills, money laundering, developing education campaigns, as well as

other training areas yet-to-be identified. To maximize resources and participation, training will be held in Timor Leste where possible. Attendance in offshore training such as those offered by the Malaysian Anti-corruption Academy may be considered on a case-to-case basis.

- Selected ACC staff may be sent to successful, more established corruption commissions to observe the actual investigation of corruption cases. The anti-corruption commissions of Indonesia and Macau are two institutions that can potentially accommodate interns from the ACC.

## **2. Component B - Office of the Prosecutor General**

### **Background:**

The Office of the Prosecutor General (OPG) faces the considerable challenge of implementing a new penal code. In the face of an extensive caseload, obstacles to the legally acceptable gathering of evidence are handicapped by a shortage of skilled prosecutors and district facilities outside Dili. The OPG has been, for the most part, unable to pursue criminal allegations of an economic nature. This has led to growing public perceptions that corruption-related crimes go largely unpunished.

The OPG has made substantial progress in clearing its overall case backlog. This has included a reduction of pending corruption-related cases to a total of 39 (from over one hundred), albeit largely through the archiving of older or non-prosecutable cases rather than via prosecution. At the same time, over the past eight months the OPG has, following an externally commissioned audit, largely managed to put its logistic and administrative affairs in order with respect to salaries and benefits for OPG personnel, Dili and district-level office facilities and staff recruitment for administrative positions. Nevertheless, limited administrative skills and linguistic complications (as amply pointed out by the MCC-supported Corruption Assessment, Appendix A) continue to hamper efficient operations and recruiting and retaining senior-level prosecutors has been problematic, in part because of the “brain drain” effect that sees many qualified Timorese personnel seek higher paying jobs with the UN or foreign donor agencies. Most importantly from an anti-corruption perspective, there is an overall paucity of skills related to the investigation and prosecution of so-called economic crimes that are the basis of allegedly widespread corruption and collusion. Although a number of government agencies (OPG, ACC, Bank Payments Authority and the national police or PNTL) are charged with the task of investigating such criminal allegations, there is considerable concern that overlapping responsibilities may lead to duplication of effort and inefficiency unless clear lines of responsibility are delineated.

### **Purpose:**

This component seeks to enhance the investigative skills of prosecutors within the OPG as well as those of other key anti-corruption stakeholders in order to improve prosecutions of and convictions on corruption charges. Additional activities will also build specific prosecution-related skills within the OPG as they relate to economic crimes and build linkages with other TPA-supported institutions.

### **Expected Results:**

By the program’s end, the OPG will show a stronger capacity to prosecute economic crime and corruption cases which subsequently results in an increase in convictions. Additional expected results are included the Monitoring and Evaluation Section below and referenced in Appendix B.

### **Activities:**

The activities listed below are preliminary, and not exhaustive. Precise activities will depend on the Contractor’s technical approach and other factors that will come into sharper relief as implementation progresses. Based on the approved work plan, the Contractor will have latitude to implement innovative solutions that are responsive to functional requirements.

- The Contractor shall help the OPG develop a capacity to investigate and prosecute corruption cases. This will likely include training on key investigative concepts and prosecutorial techniques that relate to corruption-related crimes, including a specific focus on evidence gathering that is in line with Timor Leste’s existing capabilities. With the goal of program integration, these trainings should be offered to all relevant stakeholders, where appropriate, including staff from the OPG,

the ACC, the Bank Payments Authority, and the National Police, among other entities. Additional representatives from the Parliamentary sub-committee on anti-corruption, independent media and relevant civil society organizations should also be included, where relevant.

- The Contractor shall offer training in more sophisticated investigative and prosecutorial techniques (such as trial advocacy, monitoring financial flows, electronic surveillance, and others) as the program evolves. These trainings will be offered to all relevant stakeholders, including participants in the other TPA components.
- The contractor shall support the RDTL's adoption of a working protocol or memorandum of understanding specifying investigative levels of authority and responsibilities with respect to economic crimes among the OPG, ACC, the National Police, the Banking Payment Authority, the Office of the Inspector General, and other relevant stakeholders.
- The Contractor may upgrade the technology within the OPG as it relates to electronic file management of economic crime cases.

### **3. Component C - External Audit Authority**

#### Background:

An external audit agency has not yet been established in Timor Leste although there is widespread consensus, from within and outside government, that it is needed. An external audit agency is critical for effective public finance management and a key element of any national level anti-corruption strategy. The absence of this capability to conduct external audits at present is exacerbated by very limited internal audit capacity.

Although mandated to undertake internal audits of government agencies and state-owned businesses, the Office of the Inspector General (OIG) is able to undertake only a small number of audits because of serious staff limitations. The OIG also does not have authority over internal audit bodies created within line ministries creating potentially confusing duplication of functions and authorities or, worse, conflicting findings.

Before the external audit agency is in place, there is a need for concrete measures to ensure at least during the interim that fraud or corruption in government transactions is either prevented or quickly detected. Capacity building for the OIG needs to be implemented; record keeping practices across government need to be improved; information about audits and findings need to be made public; and compliance with audit findings including the enforcement of administrative sanctions need to be ensured.

A constitutional provision mandates the establishment of an external audit authority under the auspices of a High Administrative, Tax and Audit Court (HATAC). Draft legislation for the HATAC has been developed by the Ministry of Justice but the timeframe for putting an audit agency in place is still not certain. Construction is envisioned in 2011. The President of the Court of Appeals has suggested that a separate unit of the courts could be set up to deal with audit-related and administrative crimes in the interim. In the meantime, audits contracted to external international firms remain a credible source of audit information even if there is agreement that this is not a sustainable long term option.

#### Purpose:

The main objective of this component is to assist in the creation of an external audit authority capable of carrying out audits of the finances of government institutions. Offerors should factor in its own assessment of the feasibility of working with HATAC or the Chamber of Accounts versus private firm[s] or associations in their technical approaches to the RDTL's creation of the new external audit authority.

A second aim of this component is to upgrade basic audit skills of selected government auditors, mainly within the OIG, with a view to creating a robust internal audit capacity and build linkages with other TPA-supported institutions.

#### Expected Results:

By the program's end, an external audit authority will be operational in Timor Leste. Trained auditors will have audited alleged misuses of public funds using techniques that meet international standards. Audits in which fraud or corruption is detected will have been sent to the Office of the Prosecutor General, and, if warranted, resulted in criminal indictment and trial. Internal auditors will also show increased capacity, with larger numbers of higher-quality audits of government programs and/or officials. Additional expected results are included the Monitoring and Evaluation Section below and referenced in Appendix B.

#### Activities:

The activities listed below are preliminary, and not exhaustive. Precise activities will depend on the Contractor's technical approach and other factors that will come into sharper relief as implementation progresses. Based on the approved work plan, the Contractor will have latitude to implement innovative solutions that are responsive to functional requirements.

- The Contractor shall support the RDTL in establishing an independent external audit authority and provide institution-building support, and assist the RDTL in conducting independent audits of at least three large ministries and publicize the findings.
- The Contractor shall train both external auditors and inspectors general on modern audit techniques and assist in developing internal institutional capacity within relevant government agencies to carry out large volume of audits.
- The Contractor shall support the RDTL in defining roles and levels of responsibility with respect to internal audit authority between the Office of the Inspector General and relevant inspector general offices within line ministries.

### **4. Component D – Procurement Policies, Regulations and Practices**

#### Background:

Up until 2007, government procurement was highly centralized in the Ministry of Finance (MoF). In an effort to decentralize authority and increase efficiency, procurement of goods and services not exceeding \$250,000 per transaction was delegated to the various line ministries in 2008. This move could enhance the autonomy of government ministries and enable them to address their needs in timelier fashion. However, decentralization of procurement can increase opportunities for corruption. A recently concluded, MCC-funded Corruption Assessment found anecdotal evidence suggesting that the RDTL procurement process was subject to corrupt practices, from bid rigging to speed payments for invoice processing. Not only is \$250,000 a relatively large amount of money, these smaller procurements are not closely regulated or monitored and there is a tendency for each ministry to apply its own *de facto* procurement rules. That there is no existing external audit authority within the RDTL makes the procurement process even riskier. Moreover, many ministry officials currently performing procurement functions – both within MoF and in line Ministries - have little or no training in this field.

With technical assistance provided by AusAID, the MoF is working to develop a decree prescribing robust procurement rules based on internationally accepted standards consistent with the current World Bank Procurement Review. The planned competency-based certification course will be based on these rules. The MoF is also spearheading efforts to establish an independent Procurement Review Commission which will review and approve all major procurements as compliant with law before contracts are signed.

#### Purpose:

This goal of this component is to improve procurement policies, regulations and practices, and in so doing reduce the opportunities for corruption in government-based procurement transactions and build linkages with other TPA-supported institutions. A secondary goal is to stand up an independent commission with a mandate to oversee public procurement and probe specific procurement procedures based upon complaints from bidders.



#### Expected Results:

By the program's end, the RDTL's contracting authorities will have trained procurement officers and an in-service training system for contract officers. An independent Procurement Review Commission will be in operation adjudicating procurement complaints in accord with its mandate. Additional expected results are included the Monitoring and Evaluation Section below and referenced in Appendix B.

#### Activities:

The activities listed below are preliminary, and not exhaustive. Precise activities will depend on the Contractor's technical approach and other factors that will come into sharper relief as implementation progresses. Based on the approved work plan, the Contractor will have latitude to implement innovative solutions that are responsive to functional requirements.

- The Contractor shall develop and deliver a competency-based certification course on procurement for government procurement officers. If feasible, the Contractor shall partner with local educational/training institutions to facilitate the development of local capacity to deliver the certification course in the future, in order to create a sustainable procurement training system in Timor Leste. This course must also be responsive to existing procurement skills. Prior to administering this course to an estimated 300 MOF and line ministry personnel, skill levels must be evaluated and relevant findings incorporated into the final course product.
- The Contractor may assist with the start-up of the Procurement Review Commission and provide training and technical assistance to the Commission in its first years of operation, with an eye toward developing a local capacity to oversee procurements, and resolve procurement disputes. The Contractor will assist the Commission in its outreach to business community.

### **5. Component E - Fiscal Oversight Skills of the National Parliament**

#### Background:

The MCC-funded Corruption Assessment cited the existence of a strong parliament with a well-entrenched opposition presence as a significant check and balance on corruption and collusion. As is the case in most democratic governments, the National Parliament of Timor Leste holds the "power of the purse" and can hold the executive branch accountable for both budget formulation and execution. This role can be more effectively played and the authority of parliament over fiscal affairs reinforced if the capacity of parliament to exercise fiscal oversight is strengthened.

Through its legislative role, the National Parliament (NP) has already been a critical player in terms of controlling corruption. It passed legislation enabling the pending formation of the ACC and has the power of appointment following the executive branch's nomination(s) for chief Commissioner. It also intends to consider an ambitious agenda of additional legislation that will be critical to the sustainability of anti-corruption efforts, namely regulations related to Conflict of Interest, Declaration of Assets (possibly including a "Gift Registry" clause), Whistleblower Protection and Freedom of Information. Parliament also recently established a sub-committee to deal specifically with corruption issues and there is considerable interest in developing a specific anti-corruption law clarifying the recently adopted penal code. In practical terms, however, for the NP to ensure fiscal accountability, it needs basic skills upgrading in such areas as budgeting, interpreting audits and financial reports and expenditure tracking.

#### Purpose:

The purpose of this component is to strengthen parliament's role as a check on corruption and collusion through increased oversight of the government's fiscal management practices.

#### Expected Results:

By the end of the program, parliament will have used its legislative oversight authority to probe alleged corruption or misuse of funds, or followed up on recommendations of independent agencies. Additional expected results are included the Monitoring and Evaluation Section below and referenced in Appendix B.

#### Activities

The activities listed below are preliminary, and not exhaustive. Precise activities will depend on the Contractor's technical approach and other factors that will come into sharper relief as implementation progresses. Based on the approved work plan, the Contractor will have latitude to implement innovative solutions that are responsive to functional requirements.

- The Contractor shall train and assist the relevant parliamentary committees and staff on the exercise of fiscal oversight authorities. Specific training will be responsive to local needs and existing skills and include budget and expenditure issues, including oversight of the Timor-Leste Petroleum Fund. As the program and participant's understanding evolves, the Contractor shall provide more sophisticated fiscal and budget training, with an eye toward sustainability
- The Contractor shall provide technical expertise to drafting of new anti-corruption legislation working with legislative committees and advocacy groups.

## **6. Component F - Watchdog and Public Advocacy Capacities of Civil Society and other Non-State Actors**

### Background:

Non-state actors in Timor Leste, particularly civil society organizations, media, academia and the private sector, play a significant role in demanding transparency and accountability from government, monitoring the progress of anti-corruption programs, and broadening public awareness and rejection of corrupt practices. Timor Leste has a few strong civil society organizations (CSOs) that perform excellent oversight work, although they tend to be concentrated primarily in Dili. In partnership with allies in the academic sector, these organizations are able to conduct investigations, write reports or position papers, and access policymakers with an interest in their issues. Print and broadcast media are mostly free and frequently report on cases of alleged corruption. Because of low literacy levels, however, more people rely on radio and – in Dili – the National television network for news. There is some debate about the role of the business community vis-à-vis corruption. Members of the local business community complain about corruption but businesses are also perceived as being complicit in corrupt practices to advance their interests. According to the recently concluded MCC-supported Corruption Assessment, there is currently little hard evidence of the extent or nature of corruption in Timor Leste. What information exists locally is largely anecdotal while corruption trends frequently referenced by international donors are primarily the products of out-dated legal-institutional analysis or aggregated perception surveys.

Democratic space in Timor Leste is open and the State does not hamper public scrutiny through non-State actors of government decisions and actions. Hundreds of local and international CSOs operate in every development sector including direct engagement with the State on issues related to good governance. Because of the role of CSOs in the resistance movement, they command respect in government circles and among the population. There is likewise no effort from the government to stifle media criticism or exposition of corruption. The adoption of a new criminal code that no longer includes libel will further enhance freedoms of expression and the press.

However, many challenges remain. The few CSOs that focus on corruption sometimes view each other with suspicion, frequently do their work in isolation, and seldom coordinate their efforts to achieve maximum results. Despite the zeal with which media reports on corruption, reporting is largely anecdotal and there is general lack of capacity to conduct thorough investigations in order to back up reports with hard data. In the midst of accusations of complicity, the business sector remains largely unorganized and incapable of presenting a strong and united voice against corruption.

### Purpose:

The purpose of this component is to enhance the watchdog capacity and public advocacy of non-state actors, including civil society organizations, media, academia, and, where possible, the private sector. This component should build linkages with other TPA-supported institutions, as well.

### Expected Results:

By the program's end, non-State actors will have carried out anti-corruption-themed public advocacy campaigns and watchdog activities, as well as three iterations of a national survey of corruption. Additional expected results are included the Monitoring and Evaluation Section below and referenced in Appendix B.

Activities:

The activities listed below are preliminary, and not exhaustive. Precise activities will depend on the Contractor's technical approach and other factors that will come into sharper relief as implementation progresses. Based on the approved work plan, the Contractor will have latitude to implement innovative solutions that are responsive to functional requirements.

- The Contractor shall train and build capacity of these actors in fact-based, targeted and sustained advocacy campaigns and watchdog activities, investigative journalism, public complaints handling, government budgetary procedures, public service report cards and others as may be identified during the course of implementing the Threshold Program. Technical approaches should emphasize specialized training for civic/media groups in monitoring the RDTL's use of the Petroleum Fund receipts and withdrawals.
- The Contractor shall also support coalition building activities to strengthen the ability of non-state actors to coalesce around corruption issues of common interest and engage in public outreach and education activities.
- The Contractor shall build the capacity of local organizations to carry out three iterations of a corruption survey and disseminate the survey's findings to the public. Corruption specific data should attempt to expand existing knowledge of corruption in Timor Leste. Areas of focus may include attempts to unbundle corruption into various categories, identify weak and strong institutions, examine processes, sectors and functions in depth, assess the cost of corruption to different stakeholders, and identify concrete and measurable ways to reduce those costs through targeted reforms. These surveys will be conducted towards the end of each project year to monitor corruption trends and provide empirical data on the effectiveness of anti-corruption interventions.

## **V. PROGRAM MANAGEMENT – KEY PERSONNEL**

The contractor is expected to propose and maintain a management plan and staffing pattern that includes necessary technical, administrative and support staff through a combination of long-term staff and short term consultants (both national and expatriate personnel), including sub-contractors. Preference for longer term consultants is desirable given the length of time needed to understand the country context. Regardless of the positions and candidates proposed by the contractor, preference is given to candidates with relevant work experience in Timor Leste, appropriate language skills, and previous work experience managing or implementing donor-funded activities relating to control of corruption or good governance. An illustrative list of long term staff positions is provided below:

### **1. CHIEF OF PARTY**

The Chief of Party (COP) will be responsible for setting the overall strategic direction and framework under which the TPA activities and initiatives will be implemented. The COP will ensure that TPA activities are coordinated among each other, with the RDTL, and other donors working in the sector. The COP will lead TPA inputs in support of the national strategy to fight corruption, national sector coordination and policy dialogue

### **2. ANTI-CORRUPTION COMMISSION (KAK) ADVISOR (PREVENTION)**

The long term KAK Prevention Advisor will provide daily technical assistance and skills transfer to the Commissioner, his Deputies and line staff on criminal prevention. Areas of focus include: data collection and analysis; outreach and awareness campaigns; and advisory services to line Ministries and other RDTL institutions.

### **3. ANTI-CORRUPTION COMMISSION (KAK) ADVISOR (INVESTIGATION)**

The long term KAK Investigations Advisor will provide daily technical assistance and skills transfer to the Commissioner, his Deputies and line staff on criminal investigation. Areas of focus include: inquiry, data collection and analysis; responsibilities delegated by the Prosecutor General and National Police; search, inspection, surveillance techniques; record and document examination and analysis; and tasks such as freezing bank accounts and ordering the non-use of any assets in the possession, custody or control of a suspect under investigation

### **4. OFFICE OF THE PROSECUTOR GENERAL (OPG) ADVISOR (PROSECUTION)**

The long term OPG Corruption Advisor will provide daily technical assistance and skills transfer to the Prosecutor General, Deputy Prosecutor General and line staff on developing corruption-specific cases for prosecution. Areas of focus include: investigations analysis; evidence gathering; and prosecutorial techniques.

## **VI. PERFORMANCE & MONITORING PLAN (PMP)**

The contractor will ensure integrated tracking of performance indicators by developing a performance monitoring plan that incorporates outputs and outcomes for each program component. Appendix B contains a 'Performance Benchmark Chart' for each Component, which provides more detail on the expected outputs and outcomes for each component. Offerors should assume responsibility for tracking these indicators. In addition, USAID is interested in alternative output and outcome measures proposed by offerors as complementary metrics to assist with understanding whether or not intended reforms and changes are occurring for each component. This plan must establish clear criteria and indicators for monitoring and evaluating the impact of program activities toward achieving component objectives during the three year period and will be reported on a quarterly basis. Corresponding budget needs should also be identified.

Apart from the TPA Implementing Contractor's creation and tracking of the USAID-approved PMP, an independent Monitoring and Evaluation Contractor will identify pre-and post-project changes through the use of both qualitative and quantitative methods. The M&E Contractor will provide comments on the TPA Implementing Contractor's PMPs although the TPA Implementing Contractor remains responsible for all PMP data collection. The M&E Contractor may also recommend, with USAID approval, additional data collection (i.e. administration of pre- and post-training tests) or shifts in timing or selection of trainees to create a counterfactual. The M&E Contractor will conduct a data quality review no later than six months into data collection for the TPA Implementing Contractor's PMP and then another DQR one calendar year following the initial review.

## **VII. GENDER CONSIDERATION**

The TPA Implementing Contractor must ensure the integration of gender concerns as a cross-cutting theme in all stages of the TPA activity and particularly address: (a) How will both women and men be incorporated in the planning and implementation of anti-corruption activities?; (b) How might men and women be differently affected by the proposed activities? (c) How will potential gender problems or tensions created by the proposed activities be addressed and/or mitigated?

In addition, the TPA Implementing Contractor must be able to: (a) present commitment to gender in previous contracts with USAID and other U.S.G. agencies; (b) provide brief discussion on gender-equitable policies and mission statements; (c) propose key personnel with demonstrated sectoral and gender analysis skills; and, (d) include in the proposal an approach for addressing gender concerns.

## **VIII. USAID INVOLVEMENT**

All communication between the TPA Implementing Contractor and USAID on technical matters will be facilitated and coordinated through the Task Order (TO) Contract Office Technical Representative (COTR).

USAID/Timor Leste will: monitor in-country performance of the contractor to ensure that interventions are leading toward the achievement of component objectives; coordinate the selection and scheduling of activities and specific approval of individual travelers; and approve all external training and international travel related to knowledge and skill development. USAID/Timor Leste, in consultation with the RDTL and MCC, will review annual work plans, monthly and quarterly reports, annual summary reports, monitoring and evaluation reports, and the final project report for approval.

**-END OF SECTION C-**