



Submission No 58

Inquiry into Australia's Relationship with Timor-Leste

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Joint Standing Committee on Foreign Affairs, Defence and Trade
Foreign Affairs Sub-Committee



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Overview

As one of Australia's foremost humanitarian aid agencies, CARE Australia is pleased with the opportunity to contribute to the Committee's important and timely inquiry into the Australia's relationship with Timor-Leste.

CARE Australia is an Australian charity and international humanitarian aid organisation fighting global poverty, with a special focus on empowering women and girls to bring lasting change to their communities. In our submission we particularly wish to highlight particular issues and challenges facing the rural poor in Timor-Leste, and make a case for greater engagement by the Australian aid program with civil society.

This brief 4-part submission focuses on Australia's development assistance programs for Timor-Leste:

- Rural Poverty: the central development challenge for Timor Leste
- An enhanced role for civil society in the Australian Aid program to Timor Leste
- Civil Society in Timor Leste – Opportunities and constraints
- The case for supporting Australian NGOs in Timor Leste

Our submission offers the following **three recommendations**:

- 1. In order to meet the Australian Aid program's fundamental purpose "to help people overcome poverty", the Timor-Leste bilateral program must pay particular attention to widespread and entrenched rural poverty*
- 2. AusAID's country strategy for Timor-Leste should look to increase the aid program's focus on working with and through civil society, and explicitly consider the role for an ANGO funding window, looking at relevant models from other AusAID country programs*
- 3. The design process for the PNDS should prioritise consultation with Civil Society groups active in Timor-Leste, including Australian NGOs*

Rural Poverty: the central development challenge for Timor Leste

In 2007, a Timor-Leste Survey of Living Standards (TLSLS) was conducted by the Directorate of National Statistics, Ministry of Finance, Dili, with support from the World Bank.¹ Key findings of the 2007 survey were that:

- About half of the Timorese population were living below the basic needs poverty line, with around one third of the population afflicted by extreme poverty². Food accounted for 70% of total consumption of the poor
- Nearly 80% of the poor depended on the agricultural sector for their livelihood. In the absence of more productive employment opportunities, the vast majority of the poor fell back on agriculture to eke out a meagre living
- The rural population had significantly more limited access to social and economic facilities, such as roads, schools and health facilities
- The poor in rural areas had significantly lower school enrolment rates, with two-thirds of the poor having less than primary education

A more detailed account of the character and causes of rural poverty was provided in a 2007 by Oxfam. According to their Food Security Baseline Survey Report, which studied 2 remote districts in eastern Timor-Leste, most farming households in Timor-Leste can be characterized as subsistence, with maize and rice production the two most important determinants of household food security. The study revealed 70% of households to be moderately to severely food insecure. In a normal year, a period of food shortage also referred to as a hunger period is experienced at least 2-3 months before harvesting maize in February-March and rice in April. The causes of this situation are multi-faceted:

- Low agricultural productivity, particularly in relation to the key crops of maize and rice.
- Minimal opportunity to earn non-farm income. For most households, farming is the dominant source of food and cash
- Lack of markets, transportation and road infrastructure, meaning that subsistence households that report production of 'surplus' are restricted from participating in market-based activities
- Natural disasters such as drought, locusts, flooding, landslides, soil erosion and strong winds are common occurrences in Timor-Leste and negatively impact food security.

More recent analysis by the UN and other agencies (including AusAID) indicates that, while progress has been made in some areas, **this overall picture of rural poverty has changed little.**³ Despite significant support from donors, the government does not yet have the resources and organisational mechanisms in place to reach remote rural areas with services. Budget execution for capital expenditure is low, and problems in implementation and monitoring of programs are frequent. Corruption for infrastructure contracts is high. Most of the country is still without electricity

¹ <http://www.aid.gov.au/Publications/Documents/et-timorleste-poverty-young-nation.pdf>

² The survey identified US\$0.88 per person per day poverty line as an absolute poverty line. It represented, in December 2007 prices, the typical cost of attaining 2100 calories per person per day and meeting some basic non-food needs.

³ Unicef 2009 figures 37% below international poverty line of US\$1.25 per day. http://www.unicef.org/infobycountry/Timorleste_statistics.html; see also AusAID, Annual Program Performance Report Timor Leste 2012

infrastructure. Rural communities can be cut off from key services such as healthcare and schools during the rainy season.

The persistence of this deeply entrenched and widespread rural poverty frames the ongoing development agenda for Timor-Leste, as well as the development assistance strategies of international donor community, including AusAID. AusAID's own Program Performance Report for 2012 neatly summarises the overall situation, and the deep challenges it poses. We quote it at some length, with emphasis added:

Strong economic growth and increasing public expenditure has led to progress in some MDGs and to some poverty reduction, however outcomes have varied widely. Timor-Leste recorded the world's largest reduction in child mortality between 1990 and 2010, and is on track to achieve MDG 4 (reducing child mortality). However, children living in rural areas are still among the most malnourished in the world and rates of maternal mortality—at 408 to 709 per 100 000 live births—are the highest in the region.⁴ This will make it difficult to comprehensively achieve MDGs 1 and 5.

Unemployment across the country is high and with 53 per cent of the population under 19 years of age, youth unemployment is of particular concern. In rural communities, most people are subsistence farmers and there is little opportunity for young people. The main urban centres have levels of youth unemployment of around 43 per cent reflecting increasing migration from rural areas to Dili by young people who then fail to find work. Should this trend continue, a key risk that might emerge is a large population of disenfranchised and under-educated youth concentrated in Dili. The government is being proactive and there are a number of employment programs targeting short-term work and skills. Labour intensive initiatives in partnership with Australia, such as road building and maintenance, have received strong support from the government and have provided short-term employment to over 70 000 people.

Inequality between rural and urban communities has the potential to become a serious problem. There are only limited signs that the economic growth experienced by the urban centres is benefiting rural communities. The necessity of strengthening government systems and building the capacity of one of the world's youngest national bureaucracies has seen a strong focus by government and donors on Dili-based programs. This has been important and progress has been made. However, with worse rural roads than at independence and poorly serviced health clinics and schools, it has been difficult for the government to demonstrably reach the rural communities.

As the economy grows and signs of wealth continue to emerge in Dili and even Baucau, the government and donors will need to demonstrate tangible benefits to rural communities.⁵

This outcome should not have come as a surprise. It was in fact entirely foreseen by AusAID's Program Performance Review in 2008, which stated in part:

The aid program [from 2008 onwards] is aiming to deliver several of the larger new initiatives using sectorwide approaches (for example, the Health Sector Strategic Plan—Support Program and the Rural Water Supply and Sanitation Program). Given the underlying weaknesses in government systems, these approaches have the advantage of promoting improved donor coordination and reducing the administrative burden on government.

⁴ Timor-Leste Demographic Health Survey, 2009–10.

⁵ AusAID, Annual Program Performance Report Timor Leste 2012

However, underlying weaknesses in government systems also pose both challenges and risks for programs operating under sector-wide approaches. In many cases, such programs have focused heavily on helping the government to establish coherent sector planning and strengthening underlying systems—often at the expense of improving the delivery of much needed basic services (with potential for a form of ‘death by planning’).

Consideration may need to be given to adopting a more phased and progressive approach to sector-wide approaches, with more direct service delivery occurring early on while government systems are progressively strengthened.⁶

Responding to the challenge: the example of PNDS

The Government of Timor-Leste has put in place a comprehensive 20 year Strategic Development Plan (2011–2030) to tackle the young nation’s significant development challenges. The Australian Government strongly supports this agenda. In 2011, the governments of Australia and Timor-Leste signed the Strategic Planning Agreement for Development 2011 to align Australia’s aid program with Timor-Leste’s Strategic Development Plan. The new strategic planning agreement focuses Australia’s commitments to improved service delivery and strengthened governance across seven priority sectors in Timor-Leste’s strategic development plan: agriculture, rural water, sanitation and hygiene, rural roads, education and training, health, security, public sector management and good governance.

As part of its plan, the Government of Timor-Leste has committed significant resources to the Program for Decentralised Development, which is designed to invest in public works in villages across the country. More recently the government agreed to a \$300 million National Program for Suco (village) Development (PNDS) to provide grants to every village in the country to support community infrastructure and service delivery. AusAID has committed \$90 million to support implementation of the PNDS. PNDS will therefore be a central element in AusAID’s new Country Strategy from 2015, which is currently under development.

PNDS has been modelled on similar programs developed and implemented by the World Bank over the past 20 years in over 80 countries. The approach is known generically as ‘Community Driven Development’, or CDD. CDD programs are premised on an approach that gives control over planning decisions and investment resources for local development projects to community groups. Given appropriate information and support, CDD programs aim to enable poor men and women to effectively organize to identify community priorities and address local problems by working in partnership with local governments and other supportive institutions.⁷

Recently, two significant efforts have been made by the World Bank to pull together evidence on the results of CDD.⁸ The reviews find on the positive side that CDD-type programs, when designed and implemented properly, do well on delivering service delivery outcomes in sectors like health and education, improve resource sustainability, and help in constructing lower cost and better quality infrastructure. However, reviews also sound a note of caution. As one of the World Bank’s own staff recently recognised:

⁶ **AUSAID ANNUAL PROGRAM PERFORMANCE REPORT FOR EAST TIMOR 2007–08** p35

⁷ <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALDEVELOPMENT/EXTCDD/0,,contentMDK:23013531-mnuPK:535770-pagePK:210058-piPK:210062-theSitePK:430161,00.html>

⁸ *What Have Been the Impacts of World Bank Community-Driven Program?* Susan Wong; World Bank Social development Department, May 2012; *Localizing Development – Does Participation Work?* Ghazala Mansuri and Vijayendra Rao, World Bank Policy Research Report, 2013.

[O]n the negative end, perhaps the most alarming conclusion that both reports share is around the lack of much, if any, positive impact of CDD and participatory programs on social capital, cohesion, and empowerment. This is clearly ironic, given that a major premise behind using a CDD approach is its ability to empower and foster greater trust, agency, and collective action...

So the lesson in all this is that to get both development and 'social capital' impacts, CDD programs need to focus much more earnestly at strengthening the community organizations and groups that they support.⁹

The role of civil society organisations in PNDS is unclear. However, thorough consultation will mitigate risks that have affected CDD programs in other countries. For example:

- Community consultation processes being participatory only "on paper" – marginalised or less powerful groups such as women, people with disabilities etc., may not be included meaningfully in decision-making processes, with benefits subject to so-called 'elite capture'
- Transparency issues: whilst financial accountability mechanisms may be built in there also needs to be social accountability – i.e. ensuring that village leadership is accountable to the community and vice versa
- Erosion of social trust and cohesion – uneven distribution of opportunities and benefits leading to consolidation of existing social inequalities and possible social tensions

Beyond these, as the World Bank studies suggest, without an appropriate focus on the institutions of civil society, PNDS may do little to ameliorate – or may even exacerbate - many of the emerging social tensions that are causing such concern to observers of the Timor-Leste social and economic context.

So far, AusAID has not consulted widely with civil society on PNDS, but this evidence suggests consultation and indeed integration with civil society would significantly strengthen the program.

An enhanced role for civil society in the Australian Aid program to Timor-Leste

Beyond PNDS, CARE believes that there is scope for much wider engagement with civil society under the Australian Aid program in Timor Leste.

Building on a deepening international consensus reflected in the 2011 Busan Declaration¹⁰, AusAID has recently articulated its overall approach to engaging with civil society in its 2012 Civil Society Engagement Framework (CSEF). The CSEF states in part:

The Australian Government recognises the emergence of an informed and engaged civil society as an important development outcome in its own right, enabling poor people to claim their rights, and helping to shape development policies and partnerships and oversee their implementation.

⁹ Time to Put Institutions at the Center of Community Driven Development (CDD)?; Janmejy Singh Wed, 12/19/2012; <http://blogs.worldbank.org/publicsphere/time-put-institutions-center-community-driven-development-cdd>

¹⁰ *Busan Partnership for Effective Development Cooperation* (outcome statement from the fourth high level forum on aid effectiveness in Busan, Korea, December 2011).

The CSEF highlight the central role of Civil Society Organisations (CSOs) in this process:

CSOs can be powerful agents for change—as partners in the delivery of better services, enabling social inclusion and making governments more effective, accountable and transparent.

The CSEF further commits AusAID to ensuring that its country strategies “incorporate strategies on engaging civil society, where the country situation analysis identifies this as an important component of Australia’s development response”.

The CSEF has been welcomed by Australian development NGOs, including CARE Australia. Based in part on significant research, analysis and consultation undertaken by the Office for Development Effectiveness (ODE)¹¹, the CSEF represents a major step forward in AusAID’s approach to development. These documents acknowledge a basic tenet of good development practice: that working with the state alone, in any country, is not sufficient to understand and respond to the needs of citizens and particularly the poorest segments of society. Civil society doesn’t simply fill a gap in service delivery, it helps to articulate and address the aspirations and needs of different groups within society. Governments must identify and roll out a package of services. Civil society helps to tailor those to particular disadvantaged groups and to reflect back to government views on the extent to which its services meet the needs of different citizens. NGOs play a particularly important role in addressing equity of access to appropriate services.

Importantly, this role goes well beyond narrow, single-sector service delivery arrangements with numerical targets and prescribed project timeframes. Such arrangements usually provide little scope for adjusting approaches to improve outcomes. Poverty and poor service delivery can be most effectively and sustainably addressed when programs take a long-term view, and build relationships both with communities and with relevant government departments. A multidimensional approach to issues, rather than a narrow single-sector focus, can lead to better outcomes.

AusAID’s 2009-14 Program Strategy states as an objective:

Greater use of NGO capacity: The international NGO community has long been active in promoting Timor-Leste’s development, including working with local civil society to deliver results at the community level. In line with the Australian Government’s commitment to work more through civil society, there will be greater scope for engaging international and Timorese NGOs in policy issues and program implementation. To deliver the objectives of this strategy, particular roles for NGOs are envisaged in health service delivery, in strengthening social accountability and in reducing violence against women.

This intention has been best expressed through the Australia – Timor-Leste Rural Water Supply & Sanitation Program (RWSSP) - whose approach to community involvement in planning, management and maintenance through contracting of local NGOs as service providers has resulted in dramatic improvements in water system sustainability.¹² This work has been complemented by funds made available to Australian NGO’s for work in water, sanitation and hygiene through AusAID’s global (i.e. non-bilateral) Civil Society WASH Fund.

However, despite the evident success of RWSSP civil society has for the most part been overlooked as a partner within the bilateral program. For the past 10 years, the only dedicated bilaterally

¹¹ Working Beyond Government Report , Jude Howell and Jo Hall, Office of Development Effectiveness, March 2012

¹² AusAID Rural Water Supply & Sanitation Program (RWSSP) *Be, Saneamento no Igiene iha Komunidade (BESIK)* Mid-Term Independent Progress Review, April/May 2010

funded Australia-government program focusing on civil society has been the East Timor Community Assistance Scheme (ETCAS), a small grants scheme managed out of the Australian Embassy targeting Timorese organisations and Australian organisations which wish to partner with Timorese NGOs. The major source of Australian Government support for Australian NGOs working in Timor-Leste remains the AusAID NGO Cooperation Program (ANCP).¹³ ANCP is a global program which funds NGO's own priorities, and many Australian NGOs choose to spend a portion of these funds in Timor-Leste, alongside their own funds. Programs under ANCP have predominantly been targeted at basic service delivery areas considered to be high priorities for the GoT. While this is positive, and demonstrates the commitment of Australian NGO's to working with the government and people of Timor-Leste, a dedicated bilateral funding window for Australian NGOs would link their work more deliberately to AusAID's country strategy.

A strong and deliberate engagement with civil society – both national and international organisations working in Timor-Leste - would significantly enhance the poverty-focus of the Australian aid program. AusAID's strategy since independence has focused on building the institutions of government. In the post-independence context of low human capital, and no experience of self-government, this focus was in many ways understandable. However, this focus has been somewhat contrary to AusAID's own practice elsewhere. Learning from lessons other fragile state environments, AusAID's policy acknowledges that building the 'supply' of good governance (in the form of capable government institutions) can be more effective when 'demand' for good governance (in the form of an active and engaged civil society) is also supported.¹⁴ As has been now recognised, with much of the aid program working with and through government institutions, little support has reached communities who need it, particularly those in remote rural areas where the capacity and reach of government is extremely limited.

Prompted by the establishment of its CSEF, AusAID has commissioned an independent review of civil society engagement in Timor-Leste. According to AusAID¹⁵, the review is investigating how AusAID can best support civil society in Timor-Leste to reduce poverty and enhance community development within the Australian Government's bilateral partnership with Timor-Leste. It will assess whether AusAID's civil society engagement in Timor-Leste aligns with broader Agency practice and make recommendations on how to cooperate more effectively with civil society. The review is expected to be completed in mid-2013.

CARE Australia welcomes this review. We consider that the potential benefits of engaging more systematically with civil society as a development partner in Timor-Leste are significant.

Civil Society in Timor Leste – Opportunities and Constraints

The World Bank has adopted the following definition of civil society:

“the term civil society to refer to the wide array of non-governmental and not-for-profit organizations that have a presence in public life, expressing the interests and values of their members or others, based on ethical, cultural, political, scientific, religious or philanthropic considerations. Civil Society Organizations (CSOs) therefore refer to a wide of array of organizations: community groups, non-governmental organizations (NGOs), labor unions,

¹³ In 2011-12, 16 NGOs expended \$7.2 million on 37 projects in Timor-Leste. In 2012-13, 16 NGOs intend to use \$9.3 million on 40 projects in Timor-Leste. Figures obtained from AusAID NGO Branch.

¹⁴ See for example: http://www.ausaid.gov.au/Publications/Documents/better_governance.pdf

¹⁵ AusAID website.

indigenous groups, charitable organizations, faith-based organizations, professional associations, and foundations” (World Bank, Feb 2013)

In Timor-Leste, local CSOs are not nascent: they have a long and deep connection with national aspirations, reflecting the political struggle for independence. However, post-independence (2002) and post-conflict (2006), the role of local CSOs has naturally shifted away from a politically-based platform focused on issues of independence and democracy towards development-related concerns. At the same time, and more importantly, funding for local CSOs has declined considerably, and public support for many of the concerns they now wish to highlight has reduced. Many development related issues are culturally sensitive: rape, abortion, incest, divorce, sex work, gay rights, HIV/AIDs, SRH, sexual harassment, domestic violence and similar issues lack public support, and national priority focus. On the other hand, issues such as unemployment, poverty, youth issues, martial arts gangs, poor education, infrastructure development, malnutrition and corruption more easily tackled and spoken about in national fora.

There are many hundreds of local CSOs, but only a few are strong and well-established enough to attract significant financial support. These include: JSMP (justice monitors), Belun (civil society watchers), Rede Feto (Women’s Network), FOKUPUS (women’s rights), and Moris Rasik. The umbrella CSO in Timor-Leste is FONGTIL. All non-government agencies (national and international) must belong to FONGTIL to gain registration from the Ministry of Justice to operate.

International NGOs (INGOs) and international agencies work with and support local CSOs, but are constrained by the lack capacity of these organisations, which generally lack administrative and management skills, financial capacities, and necessary oversight and accountability mechanisms. This translates often to a lack of confidence and need for funds. This is source of frustration for local CSOs, who would like to take greater advantage of opportunities for financial and other support. However, weaknesses in capacity mean that local CSOs are less competitive for international funding. Paradoxically, therefore, these NGOs find it more difficult to survive as independent agents without the support of international NGOs.

INGOs can and do play a vital role in supporting and developing their national counterparts. However, opportunities for INGOs to fulfil this role are also limited. Australia is the largest single donor to Timor Leste, and as noted, support for INGOs through the Australian aid program has been modest. The European Union (EU) is the second largest donor, with a program valued at contribution of Euro 90m and there have been more opportunities for NGOs through the EU program. Timor-Leste, however, is receiving fewer funds from Europe due to the financial crisis, as well as a perception that Timor-Leste is more appropriately viewed geopolitically as an Australian partner. Though the EU is currently finalised its new strategy, it is expected that their rural development program, which has provided support through NGOs, will finish. As a result, European-based NGOs are not being funded as they were in the past.

In this context, a number of INGOs, as well as bilateral donors, are making decisions to close their operations in Timor-Leste. Save the Children International and Trocaire are closing. Concern International closed its offices in 2009 because of the EU crisis, and Irish Aid has closed for the same reasons. Other European NGOs are struggling. The Norwegian Refugee Council (NRC) left in 2011 when their 5 year post conflict mandate ended.

Nevertheless, even with the loss of EU finding, there are still about 60 INGOs in TL, and many more local ones. These organisations, with their diverse experience, wide knowledge base and strong links to local communities, constitute a both significant asset and an underutilised resource for both the Government of Timor-Leste and the international donor community. Greater investment in

partnerships with these civil society organisations can contribute substantially to Timor-Leste's economic and social development.

The case for supporting Australian NGOs in Timor-Leste

Australian NGOs have a clear and relevant role in Timor-Leste. Working with and alongside both government and local CSOs, Australian NGOs already play a key role in supporting the government to extend services beyond the main towns where health posts and schools are. They work with local communities to build and maintain community infrastructure; to deliver services; to foster community empowerment and social equity; strengthen government and civil society capacity; and contribute to national policy dialogue. This valuable role should be extended.

A trusted part of the community

International NGOs have a long-standing presence in Timor-Leste. They are a recognised part of the existing social and institutional 'infrastructure' for development. They have established relationships with communities and government built on a foundation of trust developed over many years of engagement, including through period of crisis and unrest. These strengths are manifest in a range of ways. The aid program can build on these strengths:

- *Reach and access to remote communities:* CARE in Timor-Leste programs in four western Districts (Covalima, Bobonaro, Liquica, Ermera), two central Districts (Manatuto, Viqueque) plus Dili. Many of our programs focus on remote villages beyond the reach of existing government facilities. Our long-standing presence in many of these remote locations enables supports strong relationships of trust with communities. Our engagement with them is informed by this trust, ensuring that our work is based on community needs, as well as community-generated and owned solutions, enhancing the sustainability of what we do.
- *Ability to tackle sensitive social issues* – As noted above, many development issues are socially and politically sensitive in Timor-Leste. These sensitivities constrain the willingness and ability of local actors to recognise and address them. NGOs like CARE can play a vital role in facilitating responses to these kinds of issues. Through programs such as our community magazine, LAFAEK (see below) and our Young Women Young Nation initiative (supported through ANCP), we have been successful in engaging both communities and government to address issues such as disability, adult literacy, hygiene and girls' education and leadership.
- *Humanitarian Crisis Response capability* – Larger Australian NGOs, including CARE Australia, maintain an effective capacity to provide first-tier response to humanitarian emergencies in Timor-Leste. The significance of this was demonstrated during the 2006 crisis. At a time when many other organisations chose to withdraw, international NGOs remained in operation to provide critical humanitarian aid to communities affected by displacement and civil unrest. CARE, for example, opened its Dili compound to offer temporary shelter and subsistence to hundreds of people escaping violence and threats to their safety and well being. During and after the initial crisis, we provided support to conflict resolution efforts in the community, and stayed on to help re-build the lives of displaced people in Dili and across the nation. Our ability to maintain this capability to provide effective first tier response to emergency situations, as well as ongoing support for reconstruction and peace-building efforts, is in the national interest of the Australian Government. Our ability to do so, however, is dependent on continued funding for our ongoing development programs.

Building local capacities

A key long-term challenge for Timor-Leste is raising the level of skills and knowledge of its people, as well as building the capacity of local organisation and networks. NGOs like CARE bring essential international skills and know-how that is transferred to the local context.

- *Project training:* The most obvious way this is done is at the level of individual projects and programs. CARE has trained hundreds of government and community workers and volunteers in a wide range of sectors, including health, education, and agriculture. In addition to technical skills, we provide opportunities and skills in community leadership and mobilisation, financial management and planning and monitoring.
- *Building networks and policy capability:* CARE brings its experience and knowledge to bear within various working groups and fora, participating alongside and building the capacity of local actors. CARE is active in, and in some cases leads, working groups focused on food security, seed policy working, education and health, where we work alongside government, donors and local civil society counterparts.
- *Developing national staff:* CARE employs approximately 100 national staff in Timor-Leste. This represents a substantial investment in national human resource capacity. CARE staff have gone on to pursue a wide range of careers, often in the service of Timor-Leste's development agenda. Two of the most notable former CARE staff are the current Secretary of State for Equality and MP, Idelta Rodrigues, and the Minister of Commerce, Industry and Environment, António da Conceição

Aid Effectiveness

The Busan Declaration acknowledges that NGOs are an essential contributor to effective aid. It states that NGOs "play a vital role in enabling people to claim their rights, in promoting rights-based approaches, in shaping development policies and partnerships, and in overseeing their implementation. They also provide services in areas that are complementary to those provided by states." Aid is most effective when it combines government driven/top down approaches community driven/bottom up approaches. Appropriately designed policies, strategies and programs acknowledge this complementarity, and seek to maximise its benefits. Examples from CARE's experience in Timor-Leste include:

- *Programs designed in cooperation with government:* CARE's health and education projects are closely linked with Ministry priorities and outputs, and have been designed and implemented in collaboration with government.
- *Evidence to policy* – While our AusAID-funded Community-Based Climate Change Adaptation program (CBA) was developed independently of government with the support and participation of benefiting communities, we have ensure government participation and ownership through the establishment of government-led Steering Committee at the national level. This has been done to facilitate transparency through independent monitoring of the community benefits. It also ensures that lessons will be fed into government policy.
- *Accountability:* Timor-Leste is part of the g7+ countries (conflict and post conflict nations) piloting the New Deal on Fragile States. This commits Timor-Leste and Australia to increasing effectiveness of aid and transparency and accountability. CARE welcomes for civil society organisations in this process.

Innovation – taking good ideas to scale

NGOs have proven their capacity to develop innovative ideas that can be taken to scale. Two specific examples of the broader impact of CARE's innovative work in Timor-Leste are given below:

- *Seeds of Life*: AusAID's 2012 Performance Report acknowledges work in agricultural extension to be one of the most successful aspects of the aid program. It states in part: "Through the Seeds of Life program, Australia has made a valuable contribution to the agriculture sector particularly around the targets for rice production and maize yield. ... The progress in innovation that was achieved in 2011 was through the greater use of higher yielding seeds, green manures and airtight drums. The increased use of higher yielding seeds is linked to the Australian funded food security program, Seeds of Life, managed in partnership with the Ministry of Agriculture and Fisheries." The Performance Report omits to mention that the informal seed production approach used Seeds of Life was in fact developed by CARE and taken over by SOL. A quote from the ACIAR partner's magazine acknowledges this role: "A community-based food-production system piloted by CARE International has given SoL 'wings' and will be a key component of the project's third phase".
- *Lafaek* – Lafaek Children's magazine was created in 2000 by CARE in Timor-Leste in response to a significant educational and community need. Few materials in the major local language, tetun, existed in schools; a tool was needed written in a language that that could be understood in the process of teaching and learning, and could be used as a resource for national examinations' preparation. Drawing inspiration from local communities, including school children themselves, Lafaek quickly became established as highly effective and popular resource that engaged children, teachers and the broader community alike. All the stories and articles in the magazines were related to Timor-Leste, and issues relevant to children. The magazines were produced four times per year and distributed nationally to every child in the country, reaching even those in the most remote and rural areas through a proven distribution system and highly developed network of partners and communities in all 13 Districts. Sadly, in 2010, after 10 years in production reaching 310,000 students and teachers, it was discontinued because the Ministry of Education (MoE) wanted to produce more formal materials for primary school children. However, the absence of Lafaek was quickly felt: educators, children, parents and communities reacted to the sudden withdrawal of Lafaek. The Ministry of Education has now recognised the critical gap left by the discontinuation of Lafaek and in October 2012 requested AusAID to support CARE to reintroduce the magazine for schools on a quarterly basis. This request is now being considered by AusAID.

People to people links

Many of the preceding considerations could be said to apply equally to any International NGOs. However, in considering how civil society organisations might be supported as partners to the Australian aid program to Timor-Leste, one vital factor needs to be highlighted: geography matters. Australian NGOs, friendship groups and others provide an important link to the Australian public that enhances the objectives of the aid program, and contributes immeasurably to the broader strengthening of Australian government's bilateral relationship with Timor-Leste. CARE Australia, along with other Australian NGOs working in Timor-Leste, is part of this story. Through our development awareness programs, and the opportunity to provide both financial and in-kind support to our work in Timor-Leste, a significant segment of the Australian populace are connected to their neighbours in Timor-Leste.

Accreditation

A second factor supports the engagement of Australian NGOs as preferred partners to the Australian aid program: accreditation. AusAID accreditation is a risk management approach which has been in place for many years. Through accreditation, AusAID identifies Australian NGOs with the capacity to deliver effective programs, ensure good financial management, and comply with AusAID policies. AusAID can manage its programs more efficiently, and with greater accountability and lower risk, if it works with accredited Australian NGOs. Given there are currently 44 accredited NGOs, many with significant programs already operating in Timor-Leste, this should provide efficiency while ensuring sufficient competition to demonstrate value for money.

Recommendations

1. In order to meet the Australian Aid program's fundamental purpose "to help people overcome poverty", the Timor-Leste bilateral program must pay particular attention to widespread and entrenched rural poverty
2. AusAID's country strategy for Timor-Leste should look to increase the aid program's focus on working with and through civil society, and explicitly consider the role for an ANGO funding window, looking at relevant models from other AusAID country programs
3. The design process for the PNDS should prioritise consultation with Civil Society groups active in Timor-Leste, including Australian NGOs

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