



Ministry of Finance

Democratic Republic of Timor-Leste

Development Partners Disbursement Report

-

Calendar Year 2009

National Directorate of Aid Effectiveness

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Overview

The Ministry of Finance is pleased to release the 2009 end of fiscal year report on external assistance to Timor-Leste. The data contained in this report was compiled by the National Directorate of Aid Effectiveness (NDAE) of the Ministry of Finance. The information contained in this report consists of data provided by representatives from Development Partners.

Only those projects that provide development, humanitarian and emergency assistance are entered into the database. Thus, military and its security-related assistance provided under the International Stability Force (ISF) to Timor-Leste is not included in this report. Any other security related assistance as technical assistance is included.

The Government appreciates the efforts made by individual Development Partners who have provided updated information in a timely manner.

The reliability of the data recorded is dependent on the cooperation of Development Partners to provide the necessary and accurate information. The most recent update was in February 2010, which is incorporated into the report. The Government and Development Partners intend to update project information on a regular basis.

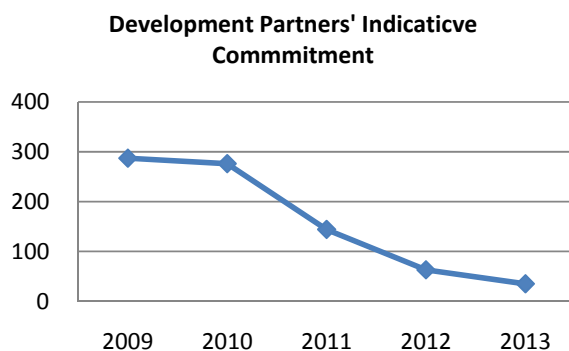
The purpose of this report is to help the Government of Timor-Leste and Development Partners gain a comprehensive overview of development assistance as well as assist in policy decision making.

The Government of Timor-Leste is grateful for the cooperation of Development Partners. The production of the report would not have been possible without their continued support.

March 2010

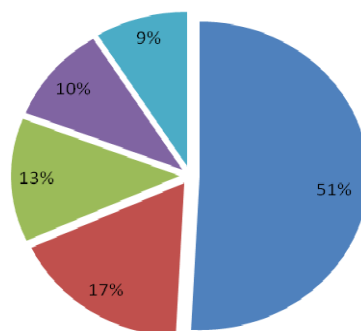
Development Partners Spending in 2009

Development Partners committed a total of \$309.5M for development assistance to Timor-Leste; \$287.4M was disbursed in 2009. The graph below shows the downward trend in projected assistance from Development Partners in the next four years from \$275.5M in 2010, \$144.0M in 2011, \$62.5M in 2012 and \$34.7M in 2013.



In the most recent update from February 2010, NDAE received updated project information from 13 bilateral development partners, 4 multilateral agencies and 11 UN agencies. Bilateral development partners contributed \$253M. The top five bilateral development partners in 2009 included Australia (\$84.1M), the USA (\$28.6M), Portugal (\$21.4M), Japan (\$16.7M) and Spain (\$14.7M). Their spending represents 84% of the total spending of all bilateral development partners.

■ Australia ■ USA ■ Portugal ■ Japan ■ Spain



The disbursed \$287.4M consists of:

- \$242.1M for support to the Government Office and its related sector by Ministry.
- \$45.3M for Non Government sectors whose activities cannot be categorized to a particular Government Ministry. (e.g. support to civil society)
- Out of the \$242.1M, \$40.6M was spent for projects related to the Ministry of Infrastructure. It is followed by Ministry of Security and Defence's \$36.7M and \$27.1 M for the Ministry of Education (see Chart 1 below).

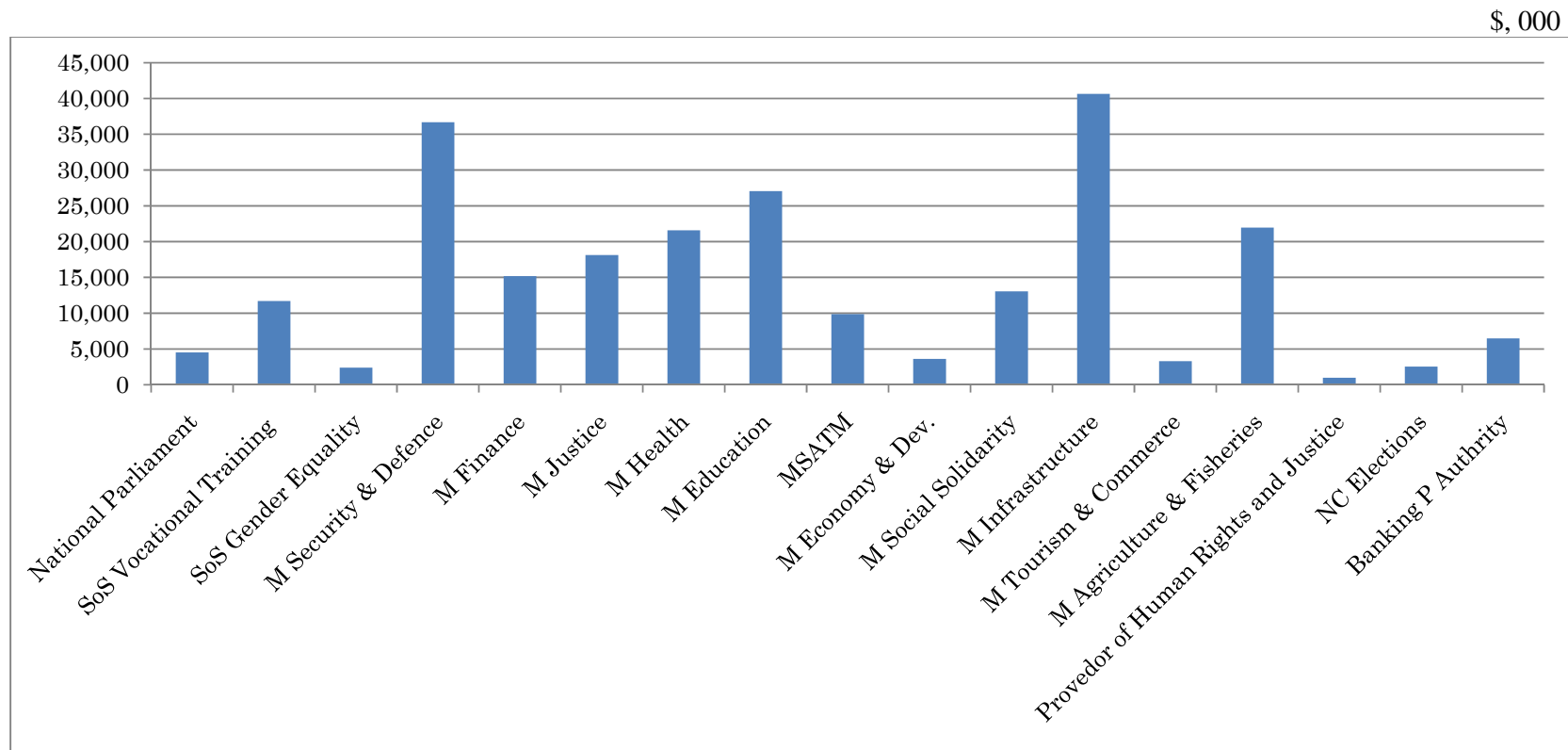
Development Partner spending by sector in 2009 can be seen in Chart 2. The majority of Development Partner spending is attributed to 5 main sectors: Education (17%), Health (14%), Agriculture (11%), Public Sector Management (11%) and Security (11%). Chart 3 shows that Development Partners are implementing 50 projects, with the largest number focused in the capital Dili, followed by Oecusse with 37 projects and Baucau with 36 projects. However, it should be noted that the existing data does not allow for a breakdown of amounts within the 13 districts of Timor-Leste. NDAE intends to collect more detailed information on spending from Development Partners in the future to compile a more comprehensive data base.

Further information is contained in the circulated USB flash drive.

**National Directorate of Aid Effectiveness
Ministry of Finance**

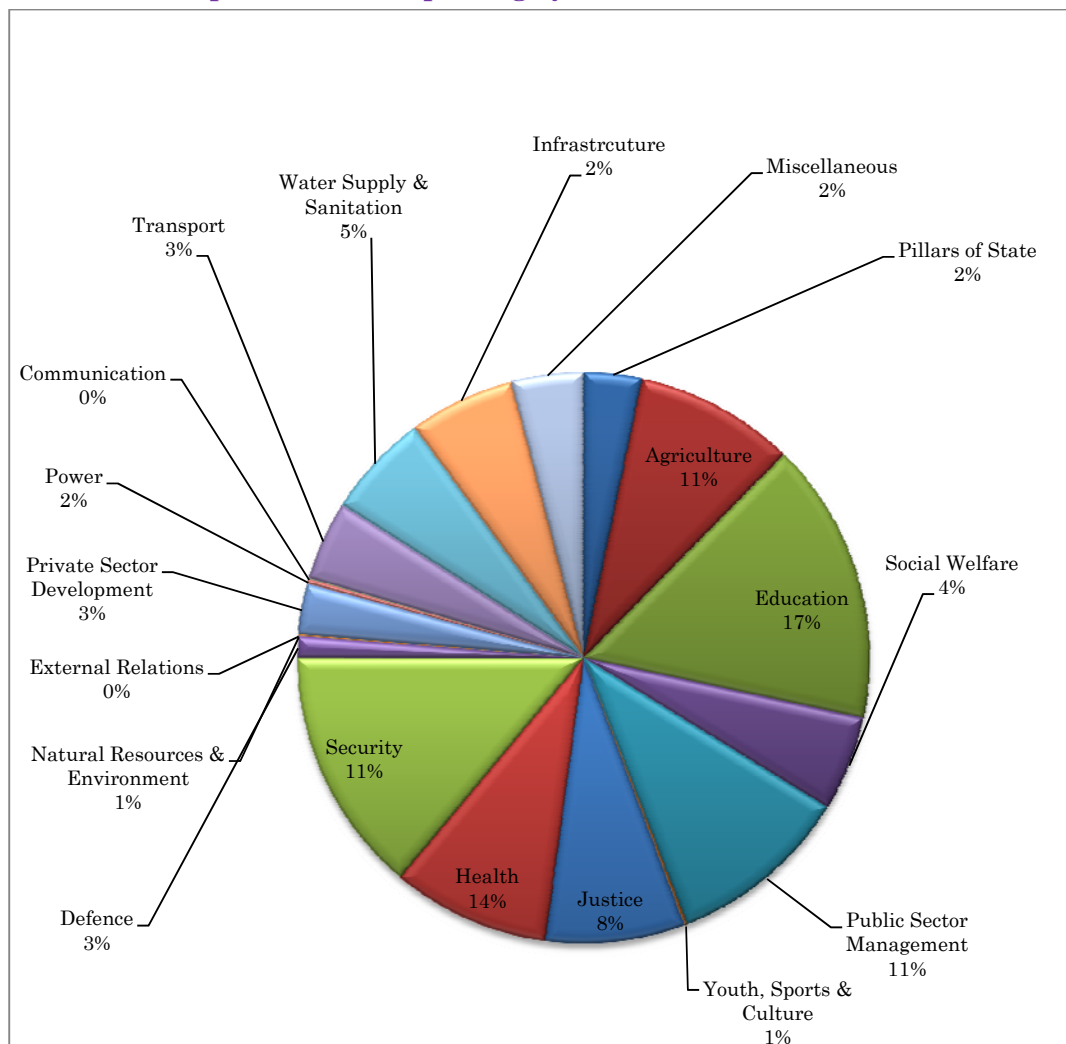
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Chart 1: Development Partners Spending by Ministries/SoS in 2009



Note: Only Ministries that will receive more than \$1 million are listed.

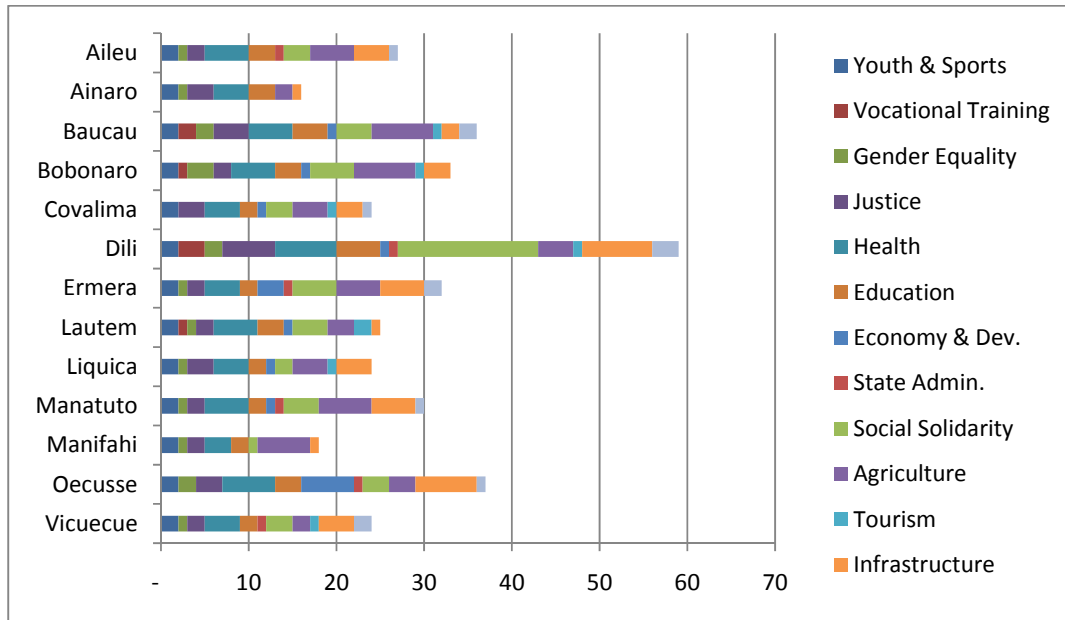
Chart 2: Development Partner Spending by Sectors in 2009



Note:

- 1) Public Sector Management includes support to the Ministry of Finance and Ministry of State Administration and Territorial Management.
- 2) Pillars of State include support to Office of the President, National Parliament, Office of the Prime Minister, Council of Ministers and National Committee for Elections.
- 3) Support to Secretary of State for Vocational Training and Employment is included in Education sector.

Chart 3: Number of Development Partner projects by Districts and Sectors (projects whose impact is ‘national’ are not included.)



Information Required

In order to ensure accurate and timely reporting, the minimum data requirements for each project are listed below. All items are included in the template provided by the Ministry of Finance.

Development Partner:

The funding agency or country making a financial commitment to a project from its core funding.

Project Name:

Project may include *technical cooperation* (such as technical cooperation project, feasibility studies, supply of adviser, supply of teacher, provision of scholarship, training course, student, research and development-oriented social and cultural program), *investment project*, *Development food aid* and *humanitarian aid*.

Government Office receiving the assistance:

Refers to the Ministry, Secretary of State or other Government office (usually Government signatory of MOU with development partners)

Implementing Agency:

The name of organization actually conducting the work on behalf of the development partner. Implementing agency can be multilateral agency, bilateral agency, NGOs and other organizations.

Expected Outcomes:

Expected outcomes may be described in the project document agreed by the Government. If project outcomes are not available, project objectives are made available..

Areas benefited:

Areas benefited from project(s) are selected from below.

- Aileu
- Ainaro
- Baucau
- Bobonaro
- Covalima
- Dili
- Ermera
- Lautem
- Liquica
- Manatuto
- Manufahi
- Oecussi
- Viqueque
- All Districts

- National

There are projects that do not have particular geographic areas, such as cases where there is a supply of a policy adviser and/or a project that supports a Ministry's management capacity. These projects do not benefit one particular area but are devised to benefit state building on the national level. In such cases, 'National' is selected.

Project Status:

Project status can be divided into 3 categories; Ongoing, Under Preparation and Completed. Under Preparation means that an indicative budget and purpose of the project has been agreed and approved by the development partner and Government (e.g., MoU is signed), but has yet to be mobilized.

Project Start/ Project Complete:

The definition of 'project start' may vary across development partners. The Ministry of Finance is interested in the date the project agreement was signed by the Government.

Currency:

Ideally, development assistance amounts are in the currency of the donor country. These values are converted by the Ministry of Finance to US\$ based on the standard exchange rates.

Exchange Rates Applied¹:

Exchange rates applied for the first quarter disbursement for 2009 (January – March) are described below. (Average exchange rates during the period)

| Currency | Average Exchange Rate (2009s average) |
|-------------------|--|
| Australian dollar | 0.792734 |
| Canadian dollar | 0.875682 |
| Euro | 1.39478241 |
| Japanese yen | 0.010682 |
| NZ dollar | 0.635871 |
| Swedish kroner | 0.130791 |

¹ Source: IMF's website, http://www.imf.org/external/np/fin/data/param_rms_mth.aspx

Capital Development (%):

This is the percentage of the total amount that will be used for physical works.

Total Funding:

Total funding is the total amount which may be an agreed figure appearing in the agreement or MOU. The amount may be changed if additional funding is committed.

Core Funding:

Core funding is the amount of funds being provided from the reporting development partner, excluding any amounts that are coming from other development partners and channelled through an organization.

Non-Core Funding:

Non-core funding is the amount of funds that an organization is managing on behalf of another development partner.

Source of Non-core Funding:

The name of a country or an organization that achieves its purpose through an implementing agency. In addition to the name of country or organization, it is expected that information regarding the amount of funds provided by the organization is to be provided.

Actual Disbursement:

In the Paris Declaration, Development Partners agreed to provide reliable indicative pledges of aid over a multi-year span and disburse aid in a timely and predictable fashion. Actual disbursement here is the amount disbursed from January to December 2008.

Breakdown of Actual Disbursement:

Development Partners are requested to provide the breakdown of disbursement. For reference, the following is the Government's classification of expenditure.

1) Salaries/Wages

- Salary
- Overtime/Allowance

2) Goods & Services

- Local Travel
- Overseas Travel
- Training and Workshop
- Utilities
- Rental of Property
- Vehicle Operation Fuel

- Vehicle Maintenance
- Vehicle Rental, Insurance and Services
- Office Stationery and Supplies
- Operational Material and Supplies
- Fuel for Generators
- Maintenance of Equipment and Buildings
- Operational Expenses
- Professional Services
- Translation Services
- Other Miscellaneous Services
- Payment of Membership
- Current Transfer

3) Minor Capital

- Security Equipment
- EDP Equipment
- Communication Equipment
- Generators
- Water Equipment
- Office Equipment
- Other Miscellaneous Equipment
- Furniture and Fitting

4) Capital and Development

- Infrastructure Assets
- Major Capital Equipment

All updates are preferably done electronically via email and in a standard Excel spreadsheet provided by the NDAE, Ministry of Finance. Due to insufficient information, the NDAE was unable to provide further analysis or conclusions.

NDAE Team

Table 1: Status of Update²

| Name of DPs | Last Update | Remarks |
|------------------------------|--------------------|--|
| Bilateral Donors | | |
| Australia | 2March,2010 | Not confirmed. |
| Brazil | 9March, 2010 | Not confirmed. |
| Canada | 22March,2010 | Suggestions were made and they are included. |
| China | 10February,2010 | Updated figures were not available. |
| Cuba | 9Februaru,2010 | Financial data was not available. |
| European Community | 3March, 2010 | Not confirmed. |
| Finland | 22March, 2010 | Not confirmed. |
| France | 9Februaru,2010 | Updated figures were not available. |
| Germany | 9Februaru,2010 | No response to request for update in Feb. 2010 |
| Indonesia | 9Februaru,2010 | Updated figures were not available. |
| Ireland | 22March,2010 | Not confirmed. |
| Italy | 9Februaru,2010 | No response to request for update in Feb. 2010 |
| Japan | 18March, 2010 | Not confirmed. |
| Korea | 18march,2010 | Not confirmed. |
| Malaysia | 10 Mar, 2009 | Financial data is not available. |
| New Zealand | 22March,2010 | Suggestions were made and they are included. |
| Norway | 9Februaru,2010 | No response to request for update in Feb.2010 |
| Portugal | 19March,2010 | Suggestions were made and they are included. |
| Spain | 18March,2010 | Confirmed. |
| Sweden | 22March,2010 | Confirmed. |
| Switzerland | 9Februaru,2010 | No response to request for update in Feb. 2010 |
| Thailand | 9Februaru,2010 | Updated figures were not available. |
| United Kingdom | 9Februaru,2010 | Updated figures were not available. |
| U.S.A. | 31March,2010 | Confirmed. |
| Multilateral Agencies | | |
| ADB | 18March,2010 | Not confirmed. |
| IFC | 18March,2010 | Confirmed. |
| IMF | 19March,2010 | Confirmed. |
| WB | 22March,2010 | Confirmed. |

² The e-mail was sent to Development partners on February 9, 2010.

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| | | |
|--------------------|-----------------|---|
| Global Fund | 9Februaru,2010 | No response to request for update in Feb.2010 |
| UN Agencies | | |
| FAO | 26February,2010 | Not confirmed. |
| ILO | 20March,2010 | Suggestions were made and they are included. |
| IOM | 19February,2010 | Not confirmed. |
| UNCDF | 18March,2010 | Confirmed. |
| UNDP | 21March,2010 | Suggestions were made and they are included. |
| UNESCO | 18March,2010 | Confirmed. |
| UNFPA | 9Februaru,2010 | No response to request for update in Feb.2010 |
| UNHCR | 19February,2010 | Not confirmed. |
| UNICEF | 18March,2010 | Confirmed. |
| UNIDO | 18March,2010 | Confirmed. |
| UNIFEM | 18March,2010 | Suggestions were made and they are included. |
| WFP | 25March,2010 | New update was made. They are included. |
| WHO | 9Februaru,2010 | No response to request for update in Feb.2010 |

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Annex:

Table: Disbursement rate and break down of spending in 2009

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| No | Name | 2009 Plan | 2009 Actual | Dis. Rate | Break down | | | |
|--------------------------------|-------------|-----------|-------------|-----------|--------------|------------------|---------------|---------------------|
| | | | | | Salary/Wages | Goods & Services | Minor Capital | Capital development |
| Bilateral Development Partners | | | | | | | | |
| 1 | Australia | 84,734 | 84,102 | 99.3% | | | | |
| 2 | Brazil | 3,578 | 1,961 | 54.8% | 1,825 | 83 | 0 | 53 |
| 3 | Canada | 963 | 771 | 80.1% | | | | |
| 4 | China | | | | | | | |
| 5 | Cuba | | | | | | | |
| 6 | EC | 10,507 | 12,935 | 123.1% | | | | |
| 7 | Finland | 924 | 822 | 87.3% | | | | |
| 8 | France | | | | | | | |
| 9 | Germany | | | | | | | |
| 10 | Indonesia | | | | | | | |
| 11 | Ireland | 5,314 | 5,725 | 107.7% | | | | |
| 12 | Italy | | | | | | | |
| 13 | Japan | 17,366 | 16,688 | 96.1% | 0 | 9,452 | 34 | 7,203 |
| 14 | Korea | 1,407 | 1,377 | 97.9% | 0 | 1,407 | 122 | 850 |
| 15 | Malaysia | | | | | | | |
| 16 | New Zealand | 4,419 | 4,419 | 100% | 0 | 4,115 | 1 | 0 |
| 17 | Norway | | | | | | | |
| 18 | Portugal | 21,639 | 21,367 | 98.7% | 7,175 | 8,361 | 256 | 425 |
| 19 | Spain | 14,748 | 14,748 | 100% | | | | |
| 20 | Sweden | 4,120 | 4,1200 | 100% | | | | |
| 21 | Switzerland | | | | | | | |
| 22 | Thailand | | | | | | | |
| 23 | UK | | | | | | | |
| 24 | USA | 28,908 | 28,596 | 98.9% | 0 | 28,096 | 0 | 0 |
| Multilateral Agency | | | | | | | | |
| 25 | ADB | 5,315 | 15,447 | 290.6% | | | | |
| 26 | WB | 34,064 | 17,116 | 50.2% | 10,896 | 2,425 | 2,291 | 1,054 |
| 27 | IFC | 300 | 450 | 150% | 218 | 90 | 0 | 0 |
| 28 | IMF | 292 | 292 | 100% | 292 | 0 | 0 | 0 |
| 29 | Global Fund | | | | | | | |

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| | UN Agency | | | | | | | |
|----|-----------|--------|--------|--------|-------|--------|-----|-------|
| 30 | FAO | 3,504 | 3,209 | 91.6% | 664 | 1,463 | 709 | 373 |
| 31 | ILO | 7,051 | 5,574 | 79.0% | 1,676 | 1,680 | 393 | 1,825 |
| 32 | IOM | | 4,985 | | 3,060 | 1,548 | 327 | 50 |
| 33 | UNCDF | 984 | 831 | 84.5% | 705 | 127 | 0 | 0 |
| 34 | UNDP | 16,443 | 18,957 | 115.3% | 6,434 | 11,503 | 654 | 0 |
| 35 | UNHCR | 67 | 62 | 92.5% | 0 | 62 | 0 | 0 |
| 36 | UNICEF | 9,765 | 4,052 | 41.5% | 0 | 4,052 | 0 | 0 |
| 37 | UNFPA | | | | | | | |
| 38 | UNIFEM | 3,005 | 3,267 | 108.7% | 2,181 | 1,056 | 30 | 0 |
| 39 | UNIDO | 152 | 34 | 94.3% | 22 | 12 | 0 | 0 |
| 40 | UNESCO | 261 | 198 | 91.8% | 0 | 168 | 25 | 0 |
| 41 | WFP | 22,890 | 9,817 | 42.9% | | | | |
| 42 | WHO | | | | | | | |

Note:

1. The amount of disbursement by Multilateral and UN Agencies above includes funding reported by the bilateral development partner.
2. Ideally the total of breakdown items should equal the disbursement amount. However, some development partners have difficulty in disaggregating its spending. NDAE can only present information as given.

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Table: Development Partner Spending by Ministry in 2009

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| Name of Ministry | 2009 Plan | 2009 Actual | Disb. Rate | Break down | | Minor Capital | Capital development |
|---------------------------|-----------|-------------|------------|--------------|------------------|---------------|---------------------|
| | | | | Salary/Wages | Goods & Services | | |
| Office of President | 382 | 478 | 125.2% | 310 | 0 | 0 | 0 |
| National Parliament | 2,908 | 4,523 | 155.5% | 2,264 | 980 | 21 | 0 |
| OPM | 2,322 | 340 | 14.6% | 0 | 2 | 0 | 0 |
| SoS CoM | 80 | 78 | 97.8% | 75 | 3 | | |
| SoS Youth & Sports | 1,046 | 367 | 35.1% | 0 | 367 | 0 | 0 |
| SoS Natural Resources | 68 | 21 | 31.0% | 0 | 21 | 0 | 0 |
| SoS Vocational Training | 14,229 | 11,694 | 82.2% | 1,803 | 2,512 | 546 | 1,878 |
| SoS Promotion of Equality | 2,487 | 2,388 | 96.0% | 1,094 | 588 | 15 | 0 |
| M Defence and Security | 36,606 | 36,686 | 100.2% | 755 | 4,922 | 193 | 0 |
| MFA | 153 | 212 | 138.2% | 77 | 13 | 5 | 0 |
| MoF | 21,023 | 15,179 | 72.2% | 5,893 | 3,191 | 11 | 0 |
| MoJ | 17,585 | 18,123 | 103.1% | 1,758 | 10,692 | 259 | 0 |
| MoH | 33,687 | 21,592 | 64.1% | 1,253 | 8,942 | 611 | 1,261 |
| MoE | 35,592 | 27,054 | 76.0% | 10,449 | 9,013 | 1,092 | 243 |
| MSATM | 12,171 | 9,880 | 81.2% | 656 | 1,384 | 119 | 0 |
| MED | 8,420 | 3,623 | 40.6% | 740 | 745 | -1 | 0 |
| MSS | 11,653 | 13,044 | 111.9% | 2,893 | 3,554 | 317 | 900 |
| MoI | 31,421 | 40,624 | 129.3% | 158 | 3,131 | 530 | 5,235 |
| MTCI | 3,515 | 3,300 | 93.9% | 0 | 3,300 | 0 | 0 |
| MAF | 19,956 | 21,967 | 110.1% | 1,433 | 8,140 | 784 | 2,341 |
| Tribunals | | | | | | | |
| Prosecutor General | | | | | | | |
| PDHJ | 754 | 987 | 130.9% | 185 | 522 | 1 | 0 |
| Public Broadcast | 1,116 | 920 | 82.4% | 300 | 85 | 0 | 138 |
| CNE | 1,679 | 2,540 | 151.3% | 518 | 890 | 33 | 0 |

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| | | | | | | | |
|----------------------------------|----------------|----------------|--------------|---------------|---------------|--------------|---------------|
| Anti Corruption Commission | | | | | | | |
| Public Service Commission | | | | | | | |
| Banking Payment Authority | 6,465 | 6,465 | 100% | 0 | 140 | 0 | 0 |
| TOTAL | 625,319 | 242,101 | 38.7% | 32,615 | 63,054 | 4,535 | 11,996 |