

Democratic Republic of Timor-Leste

Study on Support for  
Development Fund Planning  
in the Democratic Republic of Timor-Leste  
-- Findings and Feedback --

Final Report

December 2009

*[For more information on Timor-Leste and borrowing, see La'o  
Hamutuk's website*

<http://www.laohamutuk.org/econ/debt/09Borrowing.htm>

JAPAN INTERNATIONAL COOPERATION AGENCY

PADECO Co., Ltd.

## Approaches toward the Key Issues for Implementation of External Borrowing

No.	Issue	Category	Gov. of TL	Donor	Action to be considered
1	Setting SDP and effective coordination between donors and the strategy	(A)	PMO	-	Dissemination of SDP
			MOED/MOF	All Donors	
2	Establishment of legal background for external debt	(A)	MOF	World Bank / AusAID	Revision of Public Finance Management Law ( <b>DONE</b> )
					Detailed Regulation
3	Establishment of the Anti-Corruption Law	(A)	Prime Minister's Office / Anti-Corruption Committee / OIG	USAID	Anticorruption Law
					Capacity Development of ACC
4	Clarifying differences between the environmental guidelines and the decree and clarifying the requirement to issue the environmental license	(A)	MoED National Department of Environment	-	Environmental Licensing Decree
				JICA/ADB	Clarification between guidelines and licensing decree
				USAID	Operation Manual for NDE
5	Capacity and institutional development of implementation agencies to and monitor the operation and maintenance	(A)	Implementation Agency (Ministry of Infrastructure)	ADB / AusAID	Institutional and Capacity Development for O&M Organization Law for Ministry of Infrastructure
				JICA	Capacity Development for O&M (Road)
6	Institutional and capacity development for Debt Management Unit (DMU)	(A)	MOF Debt Management Unit	Portugal / JICA	Setting up Organization
					Capacity Development of DMU
7	Capacity and institutional development for disbursement operation	(A)	MOF/BPA	JICA	Setting up Organization
					Capacity Development of DMU
8	Establishment of PMU for efficient project implementation	(B)	MOF/Implementation Agency	ADB	Pilot Model Implementation
				ADB	Linkaging to capacity development of line ministries
9	Capacity development for economic and financial analysis	(B)	MOF	World Bank / AusAID	Micro Economic Analysis (Cash flow analysis, Rate of Return analysis)
10	Strengthening of debt sustainability	(B)	MOF	World Bank / AusAID	Rules and regulation for debt management
11	Establishment of outcome performance and evaluation indicators	(B)	MOF/Implementation Agency	ADB/JICA	Linkaging to capacity development of line ministries
12	Project supervision and monitoring	(B)	MOF/Implementation Agency	ADB/JICA	Linkaging to capacity development of line ministries
13	Revision of environmental guidelines (Improvement in social considerations)	(C)	MoED	ADB/JICA	Training during loan operation
14	Publication of NP Matrix, AAP, and the result of ex-ante evaluation	(C)	MOF/Implementation Agency	AusAID / JICA	Dissemination policy and practice
15	Capacity development for procurement operation	(C)	MOF/Implementation Agency	ADB/AusAID	Capacity development during implementation of projects
					Procurement Law
16	Strengthening of coordination between MOF and line ministries for smooth procurements operation and establishment of the procurement committee	(C)	MOF/Implementation Agency	ADB/AusAID	Capacity development during implementation of projects
17	Capacity development of OIG to find problems in internal control, financial management, asset management, bookkeeping and preparation of reports	(C)	MOF(/OIG)	World Bank (IFC)	Capacity development during implementation of projects
18	Human resource development for financial audit	(C)	MOF(/OIG)	World Bank (IFC)	Capacity development during implementation of projects
19	Publication of the result of ex-post evaluation	(C)	MOF/Implementation Agency	JICA	Dissemination policy and practice

## Key issues and Actions for Japan's ODA Loans

*[Circulated by La'o Hamutuk. Written by JICA in the third quarter of 2010.]*

	Issue	Govt. of the Democratic Republic of Timor-Leste	Donor
1	Setting SDP and effective coordination between donors and the strategy	PMO	-
		MoED / MoF	All donors
2	Establishment of legal background for external debt	MoF	WB, AusAID
3	Capacity and institutional development of implementation agencies to manage and monitor the operation and maintenance	Mol (Road sector)	ADB, AusAID
			JICA
4	Capacity and institutional development for disbursement operation	MoF / BPA	JICA
5	Institutional and capacity development for the Debt Management Unit (DMU)	MoF	Portugal, JICA
6	institutional development for Anti Corruption and enhancement of governance	PMO, ACC, OIG	USAID
7	Clarifying differences between the environmental guidelines and the decree and clarifying the requirement to issue the environment license	MoED National Department of Environment	-
			JICA, ADB
			USAID
8	Strengthening debt sustainability	MoF	WB, AusAID
9	Establishment of PMU for efficient project implementation	MoF / Mol (Road sector)	ADB

PMO: Prime Minister's Office, MoED; Ministry of Economy and Development, MoF: Ministry of Finance, Mol: Ministry of Infrastructure  
 BPA: Banking and Payments Authority, ACC: Anti-Corruption Committee, OIG: Office of the Inspector General  
 NDE: National Department of Environment