

Paper 1 – Quality of Analysis during the Support by Irish Aid to Timor-Leste

1. Background

This is one of four learning papers that were produced as the final product of an independent external evaluation conducted by Mokoro in 2014 of the Irish Aid Engagement in Timor-Leste. This is Paper 1 in the series and focuses on the analysis dimension of the Irish Aid programme. It addresses the following question:

- What was the quality, depth and comprehensiveness of the analysis that informed decision-making?

The other three papers in this series examine: the effectiveness and appropriateness of the modalities of support (Paper 2); the results of the Irish Aid programme (Paper 3); and the analysis, programme choices, relevance and effectiveness of Irish Aid efforts in conflict reduction (Paper 4). These papers should be read in conjunction with the general background paper on the Timor-Leste programme that is part of the series, and which provides details on the priorities, programmes and budget over the period.

2. What analysis was done?

The first of the 2007 OECD principles of donor engagement with fragile states is to take context as the starting point. The principles highlight the particular importance of recognizing constraints of capacity, political will and legitimacy, and of differentiating post-conflict political transitions from other fragile contexts so as to avoid blue-print approaches.¹

This was a challenging principle to follow in Timor-Leste in the early years of the Irish Aid² programme. There was an almost complete lack of infrastructure for administration and of data for planning following the Indonesian destruction of government offices – including the national archives – after the Timorese vote in favour of independence in 1999. From 2002 onwards the government produced regular National Development Plans, but it has yet to formulate a multi-annual development plan and expenditure framework with which donors can align their programmes. Especially in the early period, this meant that many of Timor-Leste's development partners based their interventions on generic analyses and assumptions about needs, often derived from experience of other post-conflict and fragile states.

Timor-Leste was Irish Aid's first programme country in Asia, and Irish Aid lacked region- or country-specific expertise and knowledge. Irish Aid also lacked experience of managing a

¹ OECD/DAC. April 2007. *Principles for Good International Engagement in Fragile States and Situations*.

² The Government of Ireland's department concerned with development cooperation has experienced changes of name during the period under review. For simplicity, the current designation (Irish Aid) is used throughout this paper.

programme in a country that had a very different character from Ireland's traditional engagements in Africa.^{3,4}

The period being evaluated saw the development of a transitional country strategy, three full Country Strategy Papers (CSPs) and a supplementary CSP formulated in response to the internal conflict that erupted in 2006. This paper comments on the formal analysis that informed all these country strategies. In addition, the paper draws attention to other less formal means of information-gathering that also appear to have influenced decision-making on the country programme. It should be noted that for the earlier programme periods there is a lack of documentation on the assessments, studies and other analysis that fed into country strategy formulation. This means that the evaluation's understanding of how analysis informed programming relied to a considerable extent on informants' memories. (Conflict-related analysis is discussed in Paper 4: Conflict. This includes two conflict assessments, carried out in 2008 and 2009.)

First programme phase

The devastation inflicted by departing Indonesian forces and their supporters in 1999, following the popular vote in favour of independence, meant that initial Irish Aid support was limited to humanitarian and reconstruction assistance. This was mainly channelled through Trust Funds managed by the World Bank and by the United Nations (UN), which administered the country before formal independence. Some funding was also provided to International Non-Governmental Organisation (INGO) programmes.

The first Irish Aid Representative arrived in the country in October 2000. She knew something of Timor-Leste from a background of INGO work on the country and she had a network of contacts in the student movement. However, she was new to Irish Aid, and she worked alone and under difficult physical conditions – she had no means of transport and operated out of a hotel severely damaged during the Indonesian withdrawal. She inherited the Trust Fund projects but was given no guidance on how to follow up or monitor these. As Timor-Leste was Irish Aid's first engagement in Asia, there was little country- or region-specific knowledge at headquarters (HQ) to guide her in how to develop a country programme. Irish Aid also lacked experience of managing a programme in a country that had a very different character from Ireland's traditional engagements in Africa.

The limited programme management resources made available by Irish Aid in Dili and at HQ meant that the Mission had no capacity to carry out independent needs assessments. There was also little for Irish Aid to draw on from elsewhere as there was a lack of useful baseline material from the pre-conflict period and few assessments being carried out by other donors. Such reports as were available (for example, from a World Bank Joint Assessment Mission (JAM)) were often the result of hurried exercises based on limited knowledge of the

³ The decision to make Timor-Leste a programme country was mainly the result of effective lobbying by groups in solidarity with the independence movement rather than because Timor-Leste met Irish Aid criteria for country engagement.

⁴ During the period under review, new global policies for Irish Aid that were of particular relevance to programming in Timor-Leste included a policy on gender mainstreaming (2004); the White Paper on Ireland's development cooperation (2006); a policy for local development (decentralisation) (2008); and a civil society policy (2008). Relevant Irish Aid policies are discussed further in Paper 2 on modalities.

country, and they significantly underestimated the complexities and constraints of working in Timor-Leste.

Lacking guidance from HQ and doubtful about the utility of such assessments, the Representative adopted a pragmatic approach to developing a programme, by simply going out of the capital Dili, where the bulk of UN and foreign aid was based, to identify projects in rural areas that could be funded through a Small Grants Facility (SGF), a funding mechanism that was used for small-scale infrastructure projects in districts that were identified as vulnerable as a result of conflict. Although not all the funded projects were successful, they provided learning about what worked well and what was less effective in the conditions that existed at the time. Importantly, these field visits provided evidence of stark disparities in social and economic development between Dili and the countryside, and the potentially destabilising consequences of concentrating development on the capital. As well as developing a programme of small rural projects, the Representative used the opportunity offered by the presence of a UN Gender Advisory Unit to develop a national programme concerned with promoting gender rights. In neither of these cases was a detailed assessment of needs, capacities or priorities carried out. Nevertheless, each of these initiatives acted as an entry point for what became Irish Aid's most significant and sustained investments in the country – the SGF leading to support for decentralisation and the Gender Advisory Unit initiating Irish Aid's distinctive contribution in promoting gender equity in Timor-Leste (results of the Irish Aid support are discussed in Paper 3 in this series).

During the first months of the Representative's posting a Transitional Country Strategy Paper (TCSP) 2001–2002 was drafted. This was essentially a brief desk exercise undertaken as a consultancy, the main recommendations of which were to continue and consolidate the previous Trust Fund support and to complement larger funding from other donors. It was anticipated that this approach would enable Irish Aid to participate in an institutional framework that would increase Irish Aid's understanding of context and would help to define an appropriate positioning for Ireland within this. The Irish Aid Representative's request at this time to carry out a conflict analysis was turned down (see Paper 4: Conflict).

Country Strategy Papers

The first full Irish Aid Country Strategy Paper (CSP) was for the period 2003–2005. It was followed by two more (covering the periods 2006–2008 and 2010–2013), with a supplementary CSP produced for 2009 that was dedicated to measures to address conflict following an outbreak of civil unrest in 2006 that left more than 30 people dead and 150,000 internally displaced.⁵

Staffing in the Representative Office remained small with limited capacity to carry out detailed assessments of sectors or of the wider Timorese context. The few that were undertaken in the first years of support were concerned chiefly with Irish Aid's main areas of intervention. They included a review of options for local governance (to inform decisions on a possible administrative framework for Timor-Leste), a mapping of civil society organisations' (CSOs') gender-related activities (to inform coordination between

⁵*Report of the United Nations Independent Special Commission of Inquiry for Timor-Leste*. Geneva. 2 October 2006. <http://www.ohchr.org/Documents/Countries/COITimorLeste.pdf>

government and civil society on gender equity) and gender assessments of line ministries (where Irish-funded Gender Advisers were being placed).

From an initially limited basis, the process for developing the CSPs became more detailed and systematic over time. This is illustrated by the number of files produced for each successive strategy: from eight files for CSP1 (2003–2005), to 67 files for CSP2 (2006–2008), 94 files for the interim CSP in 2009 and 496 files for CSP3 (2010–2013).⁶ This exponential increase was due in part to Irish Aid’s increasing demands for country offices to support strategy development with rigorous and comprehensive analysis. However, it also reflected the significant rise in the number of analyses and reports on Timor-Leste that became available during the later years of Ireland’s development cooperation.

The increasing number and type of sources of information and data available for the development of CSP1 (2003–2005) and of CSP2 (2006–2008) contributed to their progressively more detailed contextual analyses. The analysis section of CSP1 was reasonably comprehensive but somewhat generic and insufficiently linked to the presentation of programme design and choice of modalities. The analysis section of CSP2 was both more comprehensive and more strongly linked to programming, with generally a much clearer rationale for Irish Aid’s support in different sectors, apart from a new proposal to fund work in public finance management, a sector where Irish Aid lacked specialist knowledge and expertise and where the reasons for Irish Aid involvement were not spelled out. CSP2 also noted that current stability was fragile and that growing poverty and unemployment could lead to civil unrest, particularly in the period leading to elections in 2007, but it included no measures to address this. The supplementary paper that extended the CSP to 2009 was exclusively focused on measures to address conflict.

The process for developing CSP3 (2010–2013) was the first to use the Managing for Development Results (MfDR) approach (further discussed in Paper 3 on results), and CSP preparation and the analysis that underpinned it was more extensive and rigorous than for any of the previous CSPs. This is reflected not only in the number of files produced but also in the timescale of 18 months for completion, from the start of the process until PAEG approval. This CSP was able to use the findings from an earlier full programme evaluation, which had made recommendations to improve the programme’s strategic focus and to address conflict prevention and resolution. The CSP was also able to draw on a range of project- and sector-specific reports, such as an International Labour Organization (ILO) study of the labour market, as well as on an Organisation for Economic Cooperation and Development (OECD) case study of donor engagement with Timor-Leste and a large number of government, donor and other externally produced reports that looked more widely and in more depth at social, economic and political factors. The planning process also had access to many more, and more reliable, data sets than previously, taken from a national demographic and health survey, a national survey of living standards, and a food security and vulnerability assessment. Finally, CSP preparation involved a large number of internal Irish Aid assessments of programme components and options, and a wide range of consultations including a planning workshop in which all current partners (from government, UN and CSOs) participated.

⁶*Team Reflection of CSP Process, Timor-Leste Mission: CSP 2010–13* (no author, no date).

The analysis in CSP3 (2010–2013) is more comprehensive than in the previous CSPs, and has a much deeper assessment of the operating context. There is closer scrutiny of barriers to development and of what has worked less well and why, and clearer identification of potential flash-points. In these regards, the analysis is linked more robustly to the resulting programme design than was the case for the previous CSPs. The strategy is presented as a more coherent whole: it is organised around three pillars: service delivery (which includes support to the rural private sector), voice and accountability, and conflict reduction. Support is maintained in the two areas where Irish Aid was able to provide evidence that it had a strong and clear comparative advantage (decentralisation and gender equity) and support to CSOs is integrated across the strategy. (The SGF was closed in 2009, following an assessment that it was insufficiently tied in to Irish Aid’s other district-level work.)

The Representative Office considered that the MfDR process added value to the formulation of the new country strategy by making staff interrogate some of their basic assumptions about the programme. The process of consultation with partners was also judged to have increased the relevance of the strategy and its potential to have a positive impact. Nevertheless, they also felt that the effort involved in preparing a standard CSP for the Timorese context was excessive given that, even several years after independence, the evidence base for monitoring results remained comparatively limited. In addition, the level of effort involved was disproportionate both to the small staffing in the country office and to the size of the budget about which decisions were being made.⁷

Discussion and dialogue

Evaluation interviews suggest that, particularly during the early period, informal approaches to gathering information were as important as more formal mechanisms for assessment in developing the country programme. While the lack of published data and analysis to some extent made this inevitable, it also appears that Irish Aid staff consciously used purposeful engagement with a range of stakeholders to develop a body of knowledge about districts, sectors and partners that could then be fed through into programming decisions. Timor-Leste’s small size and Ireland’s status as a country that had been a long-term supporter of Timorese independence facilitated interaction with key partners, but Irish Aid also stood out as a donor that exerted itself to regularly visit projects, participate in stakeholder forums, and attend partners’ events, such as the launch of new projects or reports.

Mechanisms in Timor-Leste for formal dialogue and for donor coordination were comparatively weak, mainly because of a lack of government frameworks with which donors could align their programmes. Nevertheless, donor forums did also contribute to Irish Aid’s understanding of programme context and of the constraints that the operating environment presented. For example, periodic UN Development Programme (UNDP)/donor reviews of the justice programme highlighted the barriers to improving access to justice presented by a multilingual context where Portuguese had been adopted as the language of the courts. Reviews with the UN Capital Development Fund (UNCDF), other donors and relevant government ministries, of findings from pilot studies of district programmes fed into decisions to maintain Irish Aid support to decentralisation. Through its knowledge and

⁷The need for a lighter touch CSP preparation process for fragile states has since been acknowledged by Irish Aid and reflected in revised guidance: Policy Planning and Effectiveness Section, Development Cooperation Division, Irish Aid August 12th 2011, *Revised Country Strategy Paper Planning (CSP) Guidance (Draft)*.

understanding of local level and civil society perspectives Irish Aid was also in a position to make a distinctive contribution in these forums and to bring a more grounded perspective to discussions of programmes that otherwise were limited to national and central concerns.

3. Assessment – How good was the analysis?

The term “analysis” denotes a broad categorisation that includes needs and capacity assessments; sector and thematic studies; the regular programme cycle of stocktaking, mid-term reviews and evaluations; and periodic outputs from ongoing projects and programmes. Although it was clearly apparent in 2000 that none of these was available to inform the design of the new programme in Timor-Leste, Irish Aid did not develop a strategy for how to address this deficit. This, together with a general lack of guidance from HQ, meant that the first Representative was mainly reliant on her NGO experience in deciding what to fund. In the event, she made some good programmatic choices, and ones that set in train commitments that, over time, secured Irish Aid a good reputation in Timor-Leste and enabled it to take a leading role in decentralisation and gender rights.

However, in handing over almost all responsibility for programme development to a single individual who had not worked with Irish Aid previously, Irish Aid exposed itself to risk, including reputational risk. (It also clearly exposed the new Irish Aid Representative to risks, as well as imposing an inappropriately heavy burden on her.) The reason that so little investment was made in programme management for Timor-Leste at this time is uncertain. It may be connected to how the decision to open the programme was taken, namely that it owed more to external lobbying from Irish civil society groups than to internal Irish Aid decision-making processes. It may also relate to a general lack of appreciation at the time of the complexities presented by fragile and post-conflict states.

In retrospect, it is apparent that the very fact of Irish Aid’s lack of familiarity with Timor-Leste argued for making a much greater investment in initial needs assessments and for fielding appropriately qualified assessment teams (for example, bringing together expertise in humanitarian assistance, development and political analysis). An important caveat to this, however, is that, at this early stage, Timor-Leste’s poor infrastructure and lack of the most rudimentary baseline data would have challenged any team, no matter how well-qualified, to come up with a coherent, well-designed programme. This suggests that needs assessment needs to be understood not as a one-off exercise but rather as an iterative process, designed to allow for frequent and careful, if light touch, review of early assumptions and analysis in the light of new information and data.

As experience was gained and new information and data became available, the quality and comprehensiveness of Irish Aid’s analysis improved with the 2010–2013 CSP having a much closer tie between analysis and programme design than the other CSPs. Nevertheless, significant gaps remained not only for Irish Aid but within the donor community as a whole. The most significant of these was the lack of attention to the country’s continuing fragility and the risks of a renewal of conflict in favour of analyses that were directed towards assisting the process of recovery and building the structures of the state. This analysis was rooted in two basic assumptions. The first of these was that sources of conflict had disappeared with the achievement of independence, an assumption that the events of 2006 demonstrated decisively was incorrect (see Paper 4: Conflict). The second assumption was that the independence struggle and its aftermath had left the new government with a blank

slate not only in terms of the country's physical infrastructure but also with respect to structures, systems and practices. Over time it came to be acknowledged that customary arrangements had proved much more resilient than previously believed and that they interacted with and influenced the new institutions that were being built in ways that were significant but little understood.⁸

Similarly, the focus on building central institutions meant that development partners gave little consideration to how the character and determinants of poverty vary between social groups. Systematic investigation has been lacking of the ethno-linguistic and geographic distribution of poverty, of how gender roles and status in different social groups may hinder or promote moves to greater gender equity, of how traditional systems of justice intersect with modern legal systems, and of why malnutrition rates remain stubbornly high in a country that has achieved lower-middle-income status.⁹ The lack of such analysis remains a major gap in the evidence base necessary for designing more effective development interventions.

Finally, the process of country strategy development appears to have given limited attention to assessing the capacity of Irish Aid's potential implementing partners. As modern state structures and systems were being built from scratch, government was assessed early on by all donors as having insufficient implementation and absorptive capacity. In consequence, most of Irish Aid's partnerships were with CSOs and with UN agencies, with the latter implementing most of the capacity-building projects for Timorese institutions.¹⁰

Irish Aid's partnerships with Timorese CSOs seem to have owed more to a belief in the general importance of building a strong civil society in democratic states than to a specific analysis of the actual capacity of Timorese civil society or of individual CSOs. Associated with this, Irish Aid's engagement with civil society was based on general assumptions about how to support CSO development (for example, by putting strategic planning in place) rather than on an analysis of what was appropriate or feasible in a context where few CSOs had prior experience of either service delivery activities or advocacy engagement. In this regard, Irish Aid appears to have overestimated the capacity of the main CSO networks¹¹ to provide support to their members and to have underestimated the level of mentoring and support that the networks themselves needed.

Some broad conclusions can be drawn from this account of how analysis informed Irish Aid programme design in Timor-Leste in the period under review (2001–2013):

- Irish Aid took insufficient account of the country's fragility before 2006 but, nevertheless, developed a programme based on an understanding of the importance of promoting inclusive development in a post-conflict state. In following this principle from

⁸ See Peake, Gordon. 2013. *Beloved Land: Stories, struggles and secrets from Timor-Leste*. Scribe Publishing.

⁹ Timor-Leste's lower-middle-income status is based on the country's significant reserves of offshore oil and gas. Nevertheless, in its most recent report (using data from 2011) the UN ranked the country as 134th out of 187 in the Human Development Index (HDI).

¹⁰ Irish Aid established partnerships with some government agencies (see Paper 2 on modalities).

¹¹ FONGTIL, the NGO umbrella body, and Rede Feto, the women's network.

the start, Irish Aid to some extent avoided becoming confined within development frameworks that had too narrow an interpretation of state-building.

- The inclusive focus of the Irish Aid programme gave it access to information that enabled it to introduce local and civil society perspectives into discussions that otherwise had a more national level focus. Irish Aid could also have used this knowledge to highlight the need for deeper and more systematic analysis of the dynamics of poverty and of social relations.
- Irish Aid lacked a strategy tailored to assessing needs in a post-conflict state that had almost no data available for planning: the initial investment in needs assessment fell far short of what was required. Over time, CSP preparation came to require a level of resources of time, staffing, information and data that are typically available only in countries with larger country offices and more developed state institutions.
- Perceived weaknesses in government meant that most of Irish Aid’s partners were either UN agencies or CSOs. Irish Aid’s assessments of the capacity of these organisations lacked rigour, with mixed results being seen both in UN capacity-building projects and in CSO activities.

4. What were the lessons?

We summarise below some of the key lessons that emerge from this assessment of the quality and comprehensiveness of the analysis carried out by Irish Aid to support programming in Timor-Leste between 2001 and 2013.

Table 1 - Lessons on Analysis in Contexts of Fragility

Category	Issue	Impact	Lesson
Needs assessment	Irish Aid was unprepared to deal with the fact that there was a conspicuous lack of reliable information and data for planning in Timor-Leste. In relation to this scarcity, Irish Aid’s investment in initial needs assessments fell far short of what was required both in Dili and at HQ.	The first Irish Aid Representative was left largely to her own devices in developing a country programme. The first funding decisions were taken on the basis of scanty information and analysis. While some of these decisions were very appropriate to the context, a lack of corporate investment in the process exposed both the Representative and Irish Aid to risk, including potential reputational risk.	Recognise that post-conflict and fragile states have poor records and databases that will need to be compensated for through a high level of investment in initial assessments. Consider assessment as an iterative process, designed to ensure that early assumptions and analysis are subject to review in the light of new information and data.

Irish Aid Timor-Leste Learning Paper – Analysis

Category	Issue	Impact	Lesson
Understanding context	Donor' assumed that conflict had destroyed most social as well as physical infrastructure and that the country needed to be built from scratch. This encouraged a narrow focus on building the institutions of the state.	There was insufficient recognition that customary structures, systems and practices had survived the conflict and were influencing processes of institution-building. Analysis of poverty and gender relations was similarly underdeveloped. This left a major gap in the evidence base required for designing effective development interventions.	Recognise the resilience of customary structures and their significance in the post-conflict period. Recognise also that inclusive post-conflict reconstruction approaches need to be based on a thorough understanding of the dynamics of poverty and social relations. Consider allocating funds within country programme budgets in fragile states for ongoing analysis to inform programming.
Country strategy preparation	From 2003, Timor-Leste followed the same CSP preparation process as Irish Aid offices with much greater resources of staffing and that were working in countries with much more developed state institutions.	Staff involved consider that preparation of the 2010–2013 CSP was a valuable process with a good end product. However, the process imposed a very heavy burden on staff, given weak counterpart institutions and unreliable data. The level of effort and inputs required was also disproportionate to the scale of operation and size of country programme budget in Timor-Leste.	Recognise that the CSP process is difficult to apply in fragile states that have weak institutions and limited and unreliable data. Consider how to tailor CSP preparation to specific fragile contexts. Build on the suggestions above for a more iterative assessment process and for an ongoing programme of analysis.
UN agencies	Irish Aid made a significant investment in the UN agencies that were implementing capacity-building projects with government. Irish Aid did not subject these agencies to sufficient scrutiny in terms of their technical expertise, the quality of their assessments, or the quality of their engagement with government.	Most UN agencies had an insufficiently strategic approach to capacity development, and their systems and procedures were often rigid and slow. UN capacity-building projects have shown mixed results.	Recognise that UN agencies are likely to be major players in post-conflict situations but may lack the technical expertise and flexibility required for working in fragile contexts. While the UN may have an important role to play in helping to build state institutions, its capacity to fulfil this role needs to be assessed on a case-by-case basis before funding commitments are made.

Irish Aid Timor-Leste Learning Paper – Analysis

Category	Issue	Impact	Lesson
Civil society	Support to civil society was based on generic assumptions about its importance in building democratic societies. No assessment was made of the specific strengths and weaknesses of the sector or of individual Timorese CSOs. Strategies for CSO support were based on experience from contexts with more developed civil society sectors.	Similar to government, Timorese CSOs proved to have poor implementation and financial management capacity. Irish Aid’s support contributed less than expected to the development of the civil society sector.	Recognise that in post-conflict and fragile state contexts, CSOs are likely to exhibit similar weaknesses to government. While civil society actors may have an essential role to play in building democracy, their capacity to fulfil this role needs to be properly assessed before funding commitments are made.