

PAPER 3 – Results of Ireland’s 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 3 in the series and focuses on the results of the programme. It addresses the following questions:

- In the specific areas of public sector management, local governance and gender equality, to what results, intended and unintended, did the Irish Aid support contribute?
- What has been the experience of implementing the Management for Development Results (MfDR) approach?

The other three papers in this series examine: the quality, depth and comprehensiveness of the analysis that went into decision-making (Paper 1); the effectiveness and appropriateness of the modalities of support (Paper 2); 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 a general background paper on the Timor-Leste programme which provides details on the priorities, programmes and budget over the period.

2. What was done?

Over the period – which saw the implementation of a transitional strategy and three Country Strategy Papers (CSPs) – three key themes dominated the Irish Aid portfolio: public sector capacity; local governance; and gender. A discussion of the results – at aggregate and outcome level – of these three areas is the main focus of this paper. It also comments on the implementation of Irish Aid’s MfDR approach. The evaluation identified two further results areas as important. The first was the work on civil society strengthening (which was an on-going feature of the Irish Programme). This is partially covered in Paper 1 on Analysis. The second area of support by Irish Aid was employment creation (rolled out under the last CSP). Given the importance of this area the evaluation team decided to also include this area in the paper. In addition, Paper 4 in this series reflects on the efforts in the area of conflict resolution.

Box 1 - Evaluation Approach

Documenting results through the external evaluation of the Irish Aid programme ...

To identify major results areas the evaluation retrospectively developed a Theory of Change (ToC) for the programme. In conducting the evaluation a contribution analysis approach was used to examine how Ireland’s technical and financial inputs fit with the work of other actors in the context. For the data a two-stage approach was used involving comprehensive compilation and review of results reports (internal and external to Irish Aid). The results were grouped by sector and along a time-line. Interviews and focus groups (based on a prior stakeholder mapping) in Timor-Leste and by phone, as well as fieldwork, were used for triangulation and to identify the major results areas.

3. Focus and results

Irish Aid was a small donor, with a small office. Much of its support was pragmatically channelled through other partners and as co-funding to larger programmes (see Paper 2 – Modalities). The next section discussed the results for four prominent results areas: public sector capacity development, gender, local governance, and employment generation.

Box 2 - Learning from Context of Fragility

Some lessons on results in fragile contexts ...

Programmes in fragile contexts need dual objectives to address conflict and fragility, in addition to poverty goals, to achieve the MDGs. International experience shows that delivering both short-term and long-term results is critical.

Post-conflict or deteriorating states particularly need results quickly to build confidence. However, sustainable change takes time. During the twentieth century, even the fastest performing countries took 15–30 years to bring their institutional performance from the level of a fragile state like Haiti to the level of a functioning state like Ghana. Risk management in these situations is inherently risky but high rates of return are possible.¹

Public Sector Capacity Development

What was intended?

From a Theory of Change (ToC) perspective, public sector capacity development, together with the work around local governance (see next section), sought to bring about stronger planning processes and better management of public revenue. The expected outcome of the Irish Aid support to public sector capacity development was thus to improve the capacity of the Timorese public sector to deliver efficient, effective and accountable services to support economic growth and poverty reduction. Financially, this area was a major part of the Irish Aid portfolio over the period – consuming over one third of the resources between 2001 and 2012.

What was done?

The approach to public sector strengthening encompassed:

- Various projects that were implemented by the United Nations Development Programme (UNDP). Irish Aid initially focused on funding external staff to fill management and administrative gaps in line ministries (a total of 200 positions with

¹DFID (2012). Results in Fragile and Conflict-Affected States and Situations – how to note. Accessed on-line on the 5th of May 2014 at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/67437/managing-results-conflict-affected-fragile-states.pdf

co-financing from other donors under an umbrella technical assistance programme) and in a later stage (until funding to UNDP ended in 2009) it shifted to more strategic objectives around civil service reform and strengthening of civil service structures (mainly through personnel management).²

- Support to a six-year (2006–2012) World Bank-managed project, which sought to improve Public Financial Management (PFM) in the Ministry of Finance, in line ministries and at district level.³
- At a smaller scale Irish Aid also funded, under the last CSP (2010–2013), an English language unit in the Ministry of Foreign Affairs and diagnostic work to enable Timor-Leste to position itself for membership of the Association of South East Asian Nations (ASEAN) Economic Community. Neither was part of the CSP design. The English language training was put in place to enhance Timorese capacity to engage with the countries in the region. The ASEAN accession focused on trade integration of Timor-Leste in the region.

Results

Stronger systems and procedures for budgeting, delegation of authority, auditing, procurement, and civil service oversight are in evidence in Timor-Leste today. A National Accounting System was established, customs structures at borders were put in place and full tax audits were introduced, all of which are governed by procedures and systems. While it is acknowledged that such systems do not always function flawlessly, this is still a considerable achievement in a country where most such procedures, and the capacity to implement them, did not exist a decade ago. This has made it possible for Timor-Leste to provide the assurances that are needed for donors to provide budget support.⁴

Much of this work has come to fruition through technical and financial support to the Ministry of Finance (MoF), and to the Ministry of State Administration (MSA). The MoF in particular has seen large numbers of external technical experts being recruited to carry out specific tasks.⁵ The 'strengthened' MoF plays a key role in the management of the Petroleum Fund,⁶ in particular in contributing to quality decision-making and to sound fiscal management.

²TCSP (2000–2001), CSP 2003–2005, CSP 2006–2008, CSP 2e 2009

³CSP 2006–2008.

⁴At the time of the evaluation (February 2014) Australia and the European Union were preparing to provide budget support to Timor-Leste.

⁵The bulk of the funding was used to field long-term external staff into the Ministry of Finance, as much as 10% of the staff at any given time.

⁶The Petroleum Fund of Timor-Leste was established in August 2005, through the Petroleum Fund Law Number 9/2005. The intention of the law is that the Petroleum Fund is managed wisely and that the resources benefit current and future generations. Through the fund surplus wealth produced by East Timor petroleum and gas income is managed. The Fund is integrated into the State Budget and decisions on its use are made as part of the budgeting process. The total resources in the fund stood at 11.2 billion dollars in December 2012 (McKechnie, 2013).

Interviewees across different stakeholder groups felt that a considerable achievement has been that Timor-Leste has become a country that is in command of its resources and is making decisions on how to use them. This is illustrated by the fact that Timor-Leste has played a prominent role in the G7 dialogue and in the sharing of lessons on PFM development in fragile states. An important aspect of success for the MoF has been its capacity to attract and retain strong local staff through a competitive process and incentives (including possibilities for study abroad). Strong, visionary and consistent leadership by the Minister was highlighted as a major contributing factor. The programme – and this was acknowledged across interviews – also contributed to a harmonized approach among donor partners that funded the World Bank PFM programme; this greatly facilitated project implementation and the work of the MoF.

In the public sector in general, the establishment of a Personnel Management Information System (PMIS) stands out as an important resource for improved human resource management and payroll reform.

Analysis

Irish Aid supported important and successful work on PFM within the MoF. Nonetheless, in spite of the achievements mentioned above, capacity continues to be the single largest challenge to the country. The MoF is clearly a beacon among other ministries and district services, where PFM continues to be weak. In fact, the PFM support programme quickly had to be restructured to a more manageable design, which excluded other government ministries and the initially envisioned support to government departments at sub-national (decentralized) levels.⁷

Evaluation reports of projects in capacity strengthening implemented by the two major partners (UNDP, the World Bank) point variously to ambitious designs, underestimation of the capacity constraints, the adoption of systems that were not designed for fragile contexts (and therefore exacerbated capacity gaps, rather than addressing them), and insufficient attention to strategies for local staff to take over positions, including long-term strategic professional development systems.

In the PFM area in particular, but in capacity development in general, Irish Aid did not have any specific competitive advantage, and programme designs that were supported by Irish Aid were rigid and implemented by partners that were not among the most flexible. However, the support to PFM and capacity building was important and it allowed Irish Aid to contribute to an important area of development while using its intellectual resources on other issues which were similarly important but where a stronger technical input was needed (see Paper 2 on Modalities). Both Irish Aid staff and other interlocutors mentioned that Irish Aid had only limited capacity to engage in the highly technical dialogue around PFM – in fact it came as a surprise to many to discover that Irish Aid was over the years the second largest donor to this programme.⁸

⁷The restructuring took place following a Mid-Term Review of the Irish Aid programme (2007) which found that the project had taken on too much and recommended limiting the second phase to the MoF.

⁸ The project expenditure over six years amounted to a total of Euro 33.1 million of which 7 million was a contribution from the World Bank (for staff etc.). The total donor contribution amounted to Euro 25.1 million

In terms of contribution, in the area of PFM, Irish Aid can take credit for the results that were achieved. However, there was no additional leveraging (for example, through technical input, reputation, etc.). Thus Irish Aid's contribution was essentially proportional to the investment that was made.

In the area of capacity development more generally, Irish Aid was one of a multitude of donors, making it difficult to specifically attribute results. However, overall the UN capacity-building projects produced mixed results (see Paper 1), with UN programmes being insufficiently strategic and flexible for the complex and volatile operating environment and the specific issues that existed in Timor-Leste.

Local Governance

What was intended?

From a ToC perspective the work around local governance – in consonance with the efforts in public sector capacity development – targeted stronger planning processes at local level and better management of public revenue.

Support to local governance became a continuous feature of the Irish Aid programme in 2003 and lasted until the end of the engagement with Timor-Leste. Irish Aid's financial envelope in this area was much smaller – only about three per cent of its expenditures over the evaluation period. Even so, Irish Aid was the largest international donor in this field, and it was the second largest funder after the government.

What was done?

Irish Aid had a two-pronged focus in local governance:

- A first prong focused on building capacity of communities and local government structures to identify development priorities and to implement them with funding from Irish Aid. The Local Development Programme (LDP),⁹ managed by UNCDF, and implemented through the Ministry of Internal Administration (MIA), started in 2003 and continued through to the end of the evaluation period.¹⁰ The project provided funds as well as technical assistance to establish the legal, regulatory and administrative

Box 3 – Approach to Local Governance

Key elements of the UNCDF approach to local governance ...

- Groundwork research laid the basis for the development of an options paper.
- A highly consultative process with districts, local authorities, and key ministries led to selection of one out of the six proposed options.
- A pilot in four districts provided insights into lessons and gave confidence that this approach could work. The pilot was subsequently scaled up to all 13 districts.
- The pilot also ensured government ownership of the process and of decisions around the expansion.
- Funding to decentralized levels, through a Local Development Fund (LDF), was used in accordance with priorities identified by community-level committees.
- Capacity development of the committees and local governing structures ensured that priorities were well defined.

of which Euro 23 million was managed by the MoF through a trust fund. Ireland contributed Euro 7.8 million over the period. Other donors were Australia with Euro 12.6 million, the EU with Euro 4.6 million, New Zealand with Euro 1 million, and Norway with Euro 90,000. The project officially ended on the 31st of January 2014.

⁹Which became the Local Government Support Programme (LGSP).

¹⁰A budget-neutral extension was granted in 2013 so that the project could continue into 2014. Funds were coming to an end at the time of the evaluation in February 2014.

arrangements for a decentralized governance model. It followed a gradual approach (from pilot to scaling up – see Box 3). Midway through implementation the government came in as a substantial funder of the Local Development Fund (LDF), which is central to the approach.

- A second strategy has been to ‘mainstream’ local governance concerns and approaches in other components of the Irish Aid programme, to ensure complementarity with its work in the areas of gender, conflict resolution and capacity development.

Results

The interviews, documentation (including various evaluations) and fieldwork painted a strong picture of a successful intervention which has survived two national election processes, has become the cornerstone for the government decentralization process, and has built up structures and procedures that are likely to survive and evolve beyond the project period.¹¹ Among specific results the project has:

- Built capacity of local communities and government at district and sub-district level in all 13 districts across a range of areas, including priority-setting, budgeting, infrastructure planning, management of construction work, and monitoring.
- Introduced a process of decentralized priority-setting and decision-making that has gradually become institutionalized within government and legalized through various ministerial regulations regarding local finance.¹² While final decisions are made at central level, there is convincing evidence of priority-setting being driven from community level and of local government being in charge of the process.¹³
- Helped establish a policy and frameworks for decentralization which are gradually being rolled out.
- Strengthened systems and procedures for planning, procurement, contracting, etc.
- Helped to empower district and sub-district structures as reflected in structures at this level engaging in dialogue with central government in ways and on issues which they would not have been able to do previously (e.g. procurement regulations).
- Improved the infrastructure base at district and sub-district levels, thus contributing to access to services. This included the implementation of over 200 projects in areas such as water and sanitation, with a total expenditure of over Euro 6.3 million.

¹¹Evaluation and mid-term evaluation reports consistently provide a picture of a project that surpassed expectations in terms of coverage and results achieved. This was also highlighted in this evaluation’s interviews and through the field work.

¹²This includes: a) the approval of revised ministerial regulations regarding local finance management; b) approval of the Decentralization and Local Government Policy; and c) approval of the Decentralization Strategic Framework Resolution, which also established a Secretariat in the Ministry of Social Affairs as well as Ministerial Working Groups. In addition, support was provided to three decentralization laws and subsidiary legislation. One of these laws was approved in 2011; the others have been discussed internally at the level of the Council of Ministers but have yet to be approved by the Council of Ministers.

¹³LGSP Evaluation report – IATL, 2007 – noted “high government ownership” as well as “significant achievements”.

- Produced much stronger coordination and alignment between the different sector representatives at the district and sub-district levels through collective engagement in priority setting.
- Resulted in a substantial financial allocation by the government to districts based on the same mechanisms as the UNCDF initiative used.¹⁴
- Had a considerable poverty reduction effect, through better access to services (although this was not a main objective of the project and was not consistently monitored).

Analysis

The success in this area was the direct result of Irish Aid's early engagement at community level. Although there was no explicit ToC at that stage, the interviews highlighted that the engagement at this level was part of a deliberate approach to learn as much as possible in a new, challenging and undocumented context.

The Small Grants Fund – which was established for district-level development and which funded rehabilitation of classrooms, water supply, and sanitation (ultimately contributing to 10 per cent of the rural sanitation supply in the country) – was an important early tool for generating responses at local level and for gaining insight into local development processes. This approach enabled Irish Aid to work directly with local government, NGOs and communities.¹⁵ It led to the identification of capacity gaps and to the decision to carry out a number of training initiatives for community development officers in sub-districts, which became the key entry point for the work on local governance.

In contrast to the engagement in public sector development, in this area Irish Aid was able to provide consistent, high quality input, building on the local knowledge and experience that it had gained, and bring to bear also its institutional understanding of these processes from other contexts. The synergy with a solid partner with considerable experience from other countries in working on local governance – UNCDF – worked well in the mix, and fed into the combination of factors (see Box 4) that contributed to the strength of the work.

Another critically important aspect to the success was the design process for the UNCDF project. The design was strongly research-based and involved a highly participatory decision-making process based on a series of options. This helped to build an understanding

Box 4 – UNCDF Design Elements

Features of the Local Governance programme that contributed to its success ...

- Irish Aid's early engagement at local level, leading to a deep understanding of the issues.
- Irish Aid's active engagement and bringing to the table of its corporate understanding and experience in this area.
- Participatory design processes, including the development of an options paper, and the establishment of an inter-ministerial committee and ministry-level working groups.
- Adoption of a two-pronged approach: working both through the specific UNCDF project focus, and by mainstreaming local governance into other Irish Aid interventions.

¹⁴ From 2009 onwards the government channeled 150 million to the LDP.

¹⁵ An element which made it stand out compared to other donors (see also Analysis Paper).

of the processes among the key stakeholders, as well as a strong sense of ownership. The pilot approach was similarly important, as it provided convincing evidence to government partners that this was an approach that could work. Finally, the efforts that Irish Aid made (especially in the latter part of the evaluation period) to share learning from its other areas of work were important, as they solidified the work.

The programme was implemented with lower than average management costs.¹⁶ Moreover, while other Irish Aid-funded initiatives suffered severe setbacks when violence erupted in 2006, this programme – despite the crises and low capacity – continued to deliver significant results. This may in part be because the violence mostly affected Dili and not the countryside where the initiatives were implemented.

The available evidence highlights that local governance is an area where Irish Aid can claim credit for having made a considerable contribution, given its lead role in this area, the fact that it was the first donor to engage with local governance, and its status as the main donor. The fact that the Irish Aid investment (\$6.5 million in total) leveraged a much larger financial input from the government also implies that this project represented good value for money.

Gender

What was intended?

Gender was part of the Irish Aid portfolio over the whole evaluation period. It is also an area that was solely funded by Irish Aid in the early years and in which Irish Aid was the largest and most consistent supporter. In this area too, Irish Aid followed a dual approach of rolling out specific initiatives while mainstreaming gender into its other programmes. From a ToC perspective the focus of this area was on reducing gender disparities and violence against women, both of which are considerable in Timor-Leste.

What was done?

Irish Aid worked through government, UN partners (UNIFEM, later UN Women) and non-governmental organizations (NGOs) to promote gender equality. The approach included:

- Early support to the UN gender affairs unit (part of the UN transitional administration) and to the establishment and strengthening of the Office for the Promotion of Equality (OPE)¹⁷ in the Prime Minister's office which in 2007 became the State Secretariat for Equality (SEPI).
- Support to gender positions in ministries and other key structures including OPE and SEPI to improve planning, budgeting and monitoring.

Box 5 - Selected Gender Studies

Examples of key studies on gender ...

- Reasons for school dropouts
- Impact of micro-finance on women and household livelihoods
- Mapping the Pursuit of Gender Equality in Timor-Leste
- A gender analysis of the State of the Nation Report
- Sector-level gender assessments (education and agriculture)

¹⁶Management costs as a ratio of management to total project costs were 10% (DRN, 2010, p. ix).

¹⁷The office is responsible for mainstreaming gender into government programmes, promoting gender equality and empowering women.

- Financial and technical support to key local NGOs, and NGO networking, which successfully implemented gender initiatives and rolled out coordinated advocacy efforts.
- Using radio and journalism workshops to create awareness around the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW).
- Support to efforts to mainstream women in politics at various levels through awareness-raising and training.

Results

The evaluation found clear evidence of a strong contribution to results at the outcome level from Irish Aid's engagement and commitment to gender. For example, at the level of government structures, gender units and gender focal points are in place in selected line ministries, and gender is a part of planning and monitoring within government, although the extent to which these function effectively varies between ministries. The government has shown its commitment to gender issues by funding gender positions and gender action plans in government institutions (based on sectoral gender policies). Gender is today present in government dialogue and discussion, and there is a heightened awareness of the importance of addressing it. At political level, Irish Aid made an important contribution to the representation of women in government and in politics (in local level governance structures, in election processes, and in parliament) – with planned targets being exceeded. Advocacy efforts, and the coordination between NGOs, paid off in the passing of a Law Against Domestic Violence in 2010. The implementation of the law is supported by a Referral Network for victims of gender-based violence, which provides a network of services within selected government and NGO institutions that ensure that women who are subject to violence can access the legal, medical, social and psychological support that they need. Frequent meetings between services ensure that cases receive effective and efficient follow-up.

Analysis

Gender is the second area in which the evaluation established that Irish Aid has been a pioneer as well as the largest and most consistent supporter, the other being local governance. Initially, the approach to gender was scattered and experimental. The choice to engage with gender issues was not part of an explicit approach to the country, but rather the result of Irish Aid having placed in the country, as first Representative, someone who had a keen understanding of Timor-Leste, who understood the issues and who wanted to find innovative ways to address development challenges.

A detailed assessment of needs, capacities or priorities was not carried out. Nonetheless the initiative acted as an entry point for what became one of Irish Aid's most significant and sustained investments in the country – the UN Gender Advisory Unit initiating Irish Aid's distinctive contribution in promoting gender equity in Timor-Leste

From an experimental engagement, gender soon became an important part of Irish Aid's programme. Consistent support by Irish Aid over the evaluation period resonated and produced effects, which might not have been the case if Irish Aid had not engaged strongly from an early moment. Gender has been taken on as a government priority, and has been mainstreamed across government departments. Government has taken on the financial

implications of involvement in this area (funding gender advisory positions, as well as gender units). While the precise ingredients for this success are difficult to trace, some elements contributing to success appear to have been:

- The capacity of Irish Aid to use an early opportunity (i.e. the UN gender office and the OPE) effectively and in a very visible way.
- Using the experience that Irish Aid had in the field, together with key studies,¹⁸ to identify approaches and to gain an in-depth understanding of issues.
- Recognizing that structures, systems, and people are key to visibility and that visibility is key to bringing partners on board and to generating commitment.
- Working with a range of partners (government and civil society) to identify the main issues and providing support (technical and financial) for addressing them.
- Consistently working on an issue over 12 years, and sticking to it.
- Integrating gender across all the areas of Irish Aid programming, implementation and dialogue.

Irish Aid was able to capitalize on its status as a neutral and respected partner. This allowed it to bring a potentially complex issue to the table without being seen as having a hidden agenda. The fact that this was a new country with no structures may have helped, since it was possible to integrate gender as structures were being built, rather than going against an existing system.

Employment Generation

What was intended?

Efforts around employment creation became part of the Irish engagement after the 2006 crisis. This was driven mainly by the realization that unemployment and particularly underemployment were contributing to instability. An additional rationale was the need to develop alternative sources of revenue given the high dependence of the Timor-Leste government on the Petroleum Funds and the fact that these will only have a limited duration.

What was done?

Irish Aid provided funding to ILO for a number of projects in employment creation which together sought to:

- Understand the labour market (through studies and research), establish data systems, and link employment seekers with employers.
- Put at the disposal of the business community (in particular small and medium-size businesses) innovative and nation-wide access to needs-oriented business

¹⁸These included a mapping of civil society organisations' (CSOs') gender-related activities (to inform coordination between government and civil society on gender equity) and gender assessments of line ministries (where Irish-funded Gender Advisers were being placed). More information on these studies is in Paper 1 on Analysis.

development services (including access to business management training, databases, resources, research, and support).

- Generate direct employment through a cash-for-work rural roads construction project (co-funded with Norway and AusAID).
- Support the establishment and growth of micro and small entrepreneurs in cattle, horticulture and tourism.

The ILO approach focused on business development, value chain analysis and gender as three key strategies. A pilot approach was used to implement these endeavours.

Results

The implementation of the ILO project is still going on, with funding from New Zealand. Results are therefore partial both at process and at outcome level:

- Accreditation is now a pre-qualification requirement for government tenders (this is one of the links to LGSP). This has raised the quality of services and has contributed to capacity development, in particular among businesses in the construction sector.
- Business promotion, training and services to businesses (initially scattered over three ministries) have been consolidated in a single semi-autonomous institution enhancing the accessibility, coherence and quality of services.
- There is substantial anecdotal evidence that the cash-for-work initiative and the promotion of small and medium-size businesses contributed to a significant increase in income by beneficiaries (200 per cent increase) and to a better quality of life.
- The number (and size) of small and medium-size businesses in two of the three areas (cattle and horticulture, but less successfully in tourism) has increased.
- Government funding for business promotion – for example, by funding trade fairs, and through its funding to the Institute for Business Support Development (IADE) – has increased substantially, contributing to the sustainability of the efforts in this area.

The engagement in the cash-for-work programme also had significant impact in terms of the development of two major follow-on programmes to build the capacity of local entrepreneurs in construction:

- A European Union (EU) funded programme to Enhance Rural Access which trains local entrepreneurs. This programme uses systems and procedures established under the first cash-for-work programme.
- An AusAID / Ministry of Public Works / Roads 4 Development programme which builds systems and capacities for road construction. The approach has not been fully institutionalised but is included in the government's Strategic Development Programme

Analysis

Ireland has been an important funder in this area, and through ILO has brought technical expertise to bear in an area where other donors are also active. An important characteristic of the Irish Aid projects (compared to those of other donors) has been the flexibility of the project design, which has allowed for areas of focus and targets to be adjusted as necessary,

an approach that is followed by very few donors and that is particularly important in a context of fragility where much needs to be explored and experimented with. “Embeddedness” – i.e., no project implementation unit within government or outside, but rather working with and from within institutions on planning and implementation – was found to be a valuable methodology that not only produces results but also valorises and builds local capacity (human and in terms of institutions) and that can help bring about durable ownership. Other key characteristics of Irish Aid were its strong understanding of the context and its commitment to a gradual approach and to extensive consultation, even if this meant that processes took longer.

4. Management for development results

What was intended?

In 2006 Irish Aid introduced a Management for Development Results (MfDR) approach, which was reflected in new guidelines for CSP preparation. The approach is based on the Organisation for Economic Cooperation and Development / Development Assistance Committee (OECD/DAC) guidance on management for development results with five key principles, which are also part of the Paris Declaration, namely: a) to focus the dialogue on results; b) to align programming, monitoring and evaluation with results; c) to keep measurement and reporting simple; d) to manage for, not by, results; and, e) to use results information for learning and decision-making.

The intention of the process was to improve planning, monitoring, reporting and decision-making of country programmes in line with these key principles. A series of management tools were developed (logic model, results framework and a performance measurement framework) as part of the approach.

What was done?

Timor-Leste was one of the first countries to apply the MfDR process, during the preparation of the CSP 2010–2013.¹⁹ The process of writing a new CSP for Timor-Leste lasted a year and a half from January 2009 until approval of the CSP in June 2010. Various steps were undertaken over the period including a three-day lesson-learning workshop, a detailed country context analysis (with ten background papers produced over a period of four months), an options workshop (held in Ireland), drafting of an options paper, presentation of options papers to Coherence in Ireland, drafting of four thematic papers on Local Governance, Conflict Reduction, Employment and Gender Equality, a programming and design workshop, a CSP drafting process, review of the draft CSP, a further Coherence meeting and finally the formal approval of the CSP. The country office recruited a full-time consultant for a number of months to support the process.

¹⁹Another early country to adopt this approach was Ethiopia. Lessons from the Ethiopia experience are documented in: *Evaluation of the Irish Aid Ethiopia Country Strategy 2008–2012 – Contribution of a results-based management approach to strategy development: Learning brief*, ITAD, 2013.

Results

Documentation and interviews by the evaluation established that for Timor-Leste the MfDR was particularly useful in:

- Streamlining the programme into a manageable size, reducing the number of sectors.
- Making areas of complementarity and synergy across the programme more explicit, and better linked to the strategic objectives, for example with respect to gender.
- Ensuring that strategic choices were based on a strong evidence base.
- Critically reviewing partners and partnerships, to identify opportunities and areas of overlap. The findings from the partner reviews were reflected in partner choices for the CSP and also in efforts to strengthen donor coordination, including by starting up a donor coordination gender working group which carried out a mapping of partners, and produced a statement to parliament for advocacy purposes.

Analysis

The MfDR process was, however, not without challenges. In its feedback to headquarters the Timor-Leste country office indicated that the process had not been sufficiently adapted to the reality in fragile contexts in terms of the process, the requirements, and the expectations about result definition and monitoring. The process was taxing on a small office, with a small programme, in a context of capacity constraints and poor data/monitoring systems. The simultaneous engagement of the country office with the time-consuming work of the Conflict Resolution Unit (CRU) (see Paper 4 on Conflict) further increased the burden. The data, documentation and reflection papers, as well as some of the workshops, were not necessarily used efficiently and effectively, especially as many of the products (e.g., analytical sector papers) received multiple rounds of comments but ultimately were not used beyond the Irish Aid office and HQ, while the data collection put a strain on local counterparts. Finally, the requirement to define results and corresponding indicators in great detail was particularly difficult, and not adapted to a context of fragility, or to the type of data collection and monitoring that could realistically be done in these settings. Broader indicators around maintaining peace (not sliding back into conflict) and institution building would have been more appropriate and reflective of the kind of results that are of value in such contexts.

Following the first round of CSP processes, Irish Aid requested feedback from country offices and from selected NGO partners regarding the MfDR process. The findings from this review resulted in a revised approach for the CSP process, and a specific set of 'lighter' requirements for the MfDR process in contexts of fragility. The revised approach reduces the duration of the process (to nine months), builds on existing analysis and carries out new analysis in collaboration with partners where possible, gives more prominence to political economy analysis, limits the number of workshops and papers, specifically discusses capacity constraints with headquarters in advance of the CSP planning process, and makes the requirements around logic frameworks lighter. Respondents to the evaluation generally agreed that these revised guidelines are much more manageable and better adapted to the reality of fragile contexts.

5. Summary

The four results areas were relevant to the development priorities and the needs of the people of Timor-Leste. Relevance was ensured through close dialogue with government and other partners and through a strong focus on understanding the context.

In gender Irish Aid contributed substantially to an effective engagement and to encouraging results – an impact that was prominently in evidence one year after the closure of the Irish Aid programme. The gender agenda has been taken on by government, donors, and civil society and is still present in the political and development dialogue, testifying to a degree of sustainability that is often lacking in these kinds of engagement.

The work on local governance – an area which was also pioneered by Irish Aid and where it provided consistent support – has also been highly effective in three ways. It has: a) contributed to a substantial growth in service access; b) leveraged/provided confidence and structures for government to decentralize vast sums of money; and, c) is likely to have contributed – through the service access component (more schools, health facilities, agricultural outreach etc. to rural communities) – to addressing poverty (although the precise impact has not been measured). Knowledge gained through this involvement has been very important, and a level of capacity and ownership has been built at local level. This is also an area that the government is clearly taking to heart, although as many processes are of a highly political nature it remains to be seen to what extent the decentralization process will be carried through

In public sector strengthening – which was financially a considerable part of the portfolio – success was mixed. This was also reflected in the assessment by interviewees of the degree of success of Irish Aid’s endeavours. It was also not an area where Irish Aid added value or had particular competence.

Finally, in the employment generation initiative interesting approaches were experimented with which showed the importance of acknowledging the underlying factors that contribute to conflict. This learning is reflected in the lesson-learning section that follows.

6. What were the lessons?

Key lessons that emerge from this assessment based on the analysis and discussion of the results are outlined in the Table.

Irish Aid Timor-Leste Learning Paper – Results

Table 1 - Lessons on Results in Contexts of Fragility

Category	Issue	Impact	Lesson
Partner selection	In fragile states not all partners will have the requisite experience to be able to engage effectively. Little may be known or understood about issues and how to engage.	The synergy with carefully selected partners with good technical capacity and understanding of how to engage/work in fragile contexts (as was the case for Irish Aid’s engagement in local governance, gender, and employment generation) worked well.	In fragile states doing a good analysis of implementation partners is essential. Partners must have a deep understanding of the context, technical capacity, and a good understanding of how to make things work in a fragile setting. Key also from a learning perspective is to assess the way a partner developed its programme, i.e., to go beyond assessing financial and management capacity from a mainly fiduciary perspective.
Context analysis and engagement	In fragile states little may be known about the context, and lack of trust/confidence by local partners (government, civil society and community) can be an impediment to engagement.	Important characteristics of the Irish Aid approach were its strong understanding of the context (through its early and exploratory work on local governance, gender, and the small grants fund), its commitment to a gradual approach, and extensive consultation, even if this meant that processes took longer.	Taking time to explore and understand the context in a fragile setting is critical. Adopting a participatory approach in exploring options, including an assessment of what is there and what the issues are, will help begin to build the confidence and trust that are often missing in fragile contexts. Building in room for adaptation is equally important.
Staff deployment	Fragile contexts are challenging because of difficult working contexts, the level of unpredictability, poor capacity, and the lack of systems and structures. Difficult working conditions may make it particularly challenging to find high calibre staff.	The quality and engagement of the Irish Aid staff was an important factor of success. The first country office head was deliberately selected for her understanding of Timor-Leste (having been engaged with Timor during the liberation period). Subsequent staff were also highly capable, engaged, good listeners and learners, and committed to participatory approaches and to building on the work of predecessors.	Selection of staff is critical in fragile contexts. Qualities and skills that are needed for working effectively in fragile states need to be carefully identified and considered in the selection process. Irish Aid needs to be willing to invest in placing quality staff with the right qualifications and experience in these difficult settings, and to ensure that they are well supported.

Irish Aid Timor-Leste Learning Paper – Results

Category	Issue	Impact	Lesson
Specific programmes for fragile contexts	In fragile contexts underlying issues such as poverty can be factors contributing to fragility or to a return to conflict.	In 2010 the employment programme was able to respond very quickly when Martial Arts Groups provoked violence. Individual projects were set up to create employment opportunities and the situation calmed down. For many of those employed, this was the first time that they had ever earned a wage.	Understanding the drivers of fragility and conflict is critical. Employment programmes can provide very good entry points and immediate and direct benefits of relevance in fragile contexts. However, the longer-term challenges of maintenance of the employment opportunities and of the infrastructure that is constructed also need to be taken into account.
Choice of sectors/areas to support	Irish Aid made notable achievements in those areas where it had a good understanding and a comparative advantage or where it worked with strong technical partners.	Irish Aid’s technical and financial input, early on, on gender and local governance brought attention to two key areas that were important but were not being given sufficient attention within the overall development context. Its engagement in the more complex PFM issues took up staff time but did not add value.	In choosing areas of support, in particular in areas of fragility, Irish Aid’s comparative advantage needs to be taken into account. Where Irish Aid does not have this, it needs to weigh the choice against the option of engaging where it may have a substantial input.
Capacity development	Timor-Leste faced very challenging capacity constraints over the period, reflecting its history and the issues that are common across fragile countries.	Project evaluations showed that capacity development projects were overly ambitious, too strongly modelled on contexts that were very different, and insufficiently cognisant of the challenges to building sustainable systems. In some cases approaches exacerbated the existing capacity problems. As a result these projects had to be redesigned and scaled down in terms of ambition.	In situations of fragility where local capacity issues can be particularly complex and where one may start from a very low base, care must be taken to ensure that programme design and implementation are manageable/realistic, phased, and incremental, and that approaches do not exacerbate the existing capacity problems by putting excessive demands on weak structures.

Irish Aid Timor-Leste Learning Paper – Results

Category	Issue	Impact	Lesson
Identifying and monitoring development results	Preparation of the last CSP in Timor-Leste followed the MfDR guidelines and involved a similar process to that used for programming in states of lesser fragility, in terms of the number of papers produced, the number of workshops held and the timeframe required.	The process imposed a heavy burden on a small office, which was operating in a difficult environment. The level of effort and inputs required for the MfDR process was disproportionate to the scale of operation and size of the country programme budget.	Programme design processes in fragile contexts need to strike a careful balance between the need for building on an understanding of the context and drawing on lessons learnt, and the importance of not overburdening partners with the design process. Irish Aid has incorporated lessons from Timor-Leste and other comparable situations into guidance for a shorter and more streamlined CSP process in fragile states.
Results definition and monitoring	In fragile contexts, achieving results may ultimately depend on factors that are largely beyond the control of donors and therefore may be difficult to influence.	Results are more difficult to define in fragile contexts. The unrealistic expectations in the MfDR process around results definition, the level of specificity of the planning process, and the logic models overburdened the Irish Aid country office and resulted in the adoption of results indicators that were too specific for highly volatile and rapidly changing contexts.	Results definition and monitoring needs to be realistic, adapted to the specific factors that contribute to fragility, and in line with what is achievable and measurable. Not sliding back into conflict (or maintaining peace) can be a valuable indicator of results achievement. This implies that a ToC approach might need to be adopted that has a less mechanical view of causation (see also Paper 1 on Analysis).
Approaches to development	In fragile contexts gains will be small, and may not follow anticipated trajectories.	In gender and local governance, Irish Aid was able to punch above its weight and contribute to changes that went beyond what was envisioned. Irish Aid stood out among partners for being flexible, engaging consistently in a number of core issues and building its programme on a strong understanding of context.	In contexts of fragility, programme planning needs to be flexible, be easily adaptable, and work towards broad goals so as to accommodate changes when necessary. Longer timeframes, regularly reviewing progress, and consistently sticking with issues over a long period will help achieve results.