

**Document of  
The World Bank**

Report No: 21049-TP

PROJECT APPRAISAL DOCUMENT  
ON A  
GRANT  
IN THE AMOUNT OF US\$0.5 MILLION  
TO  
EAST TIMOR  
FOR AN  
ECONOMIC INSTITUTIONS CAPACITY BUILDING PROJECT  
February 9, 2001

Poverty Reduction and Economic Management Unit  
East Asia and Pacific Regional Office

## CURRENCY EQUIVALENTS

Currency Unit = U.S. dollar

## FISCAL YEAR

July 1 to June 30

## ABBREVIATIONS AND ACRONYMS

ADB	:	Asian Development Bank
CFA	:	Central Fiscal Authority
CPO	:	Central Payments Office
CPU	:	Central Procurement Unit
FM	:	Financial Manager
JAM	:	Joint Assessment Mission
UNOPS	:	United Nations Office for Project Services
PMU	:	Project Management Unit
RSU	:	Research and Statistics Unit
SNA	:	System of National Accounts
TFET	:	Trust Fund for East Timor
TSS	:	Transitional Support Strategy
UNTAET	:	United Nations Transitional Administration in East Timor

Vice President	:	Jemal ud-din Kassum, EAPVP
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Sector Director	:	Homi Kharas, EASPR
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**EAST TIMOR  
ECONOMIC INSTITUTIONS CAPACITY BUILDING**

**CONTENTS**

<b>A. Project Development Objective .....</b>	<b>2</b>
1. Project development objective .....	2
2. Key performance indicators .....	3
<b>B. Strategic Context .....</b>	<b>4</b>
1. Sector-related Transitional Support Strategy goal supported by the project .....	4
2. Main sector issues and Government strategy .....	4
3. Sector issues to be addressed by the project and strategic choices .....	4
<b>C. Project Description Summary .....</b>	<b>5</b>
1. Project components .....	5
2. Key policy and institutional reforms supported by the project .....	5
3. Benefits and target population .....	5
4. Institutional and implementation arrangements .....	5
<b>D. Project Rationale .....</b>	<b>7</b>
1. Project alternatives considered and reasons for rejection .....	7
2. Major related projects financed by the Bank and/or other development agencies .....	7
3. Lessons learned and reflected in the project design .....	8
4. Indications of recipient commitment and ownership .....	8
5. Value added of Bank support in this project .....	8
<b>E. Summary Project Analysis .....</b>	<b>8</b>
1. Economic .....	8
2. Financial .....	8
3. Technical .....	8
4. Institutional .....	8
5. Social .....	9
6. Environmental assessment .....	9
7. Participatory approach .....	9
8. Safeguard Policies .....	9
<b>F. Sustainability and Risks .....</b>	<b>9</b>
1. Sustainability .....	9
2. Critical Risks .....	10
3. Possible Controversial Aspects .....	10

<b>G. Main Grant Conditions .....</b>	<b>10</b>
1. Effectiveness Conditions .....	10
2. Other .....	11
<b>H. Readiness for Implementation .....</b>	<b>12</b>
<b>I. Compliance with Bank Policies .....</b>	<b>12</b>

**Annexes**

Annex 1.	Project Summary
Table A.	Project Design Summary
Table B.	Project Performance Indicators
Annex 2.	Project Description
Annex 3.	Estimated Project Costs
Annex 4.	Cost-Benefit Analysis Summary
Annex 5.	Financial Summary
Annex 6.	Procurement and Disbursement Arrangements
Table A.	Consultant Selection Arrangements
Table B.	Thresholds for Procurement Methods and Prior Review
Table C.	Allocation of Grant Proceeds
Annex 7.	Project Processing Budget and Schedule
Annex 8.	Documents in Project File
Annex 9.	Statement of TFET Grants
Annex 10.	Country at a Glance

## EAST TIMOR

### Economic Institutions Capacity Building

### Project Appraisal Document

East Asia and Pacific Regional Office  
Poverty Reduction and Economic Management Unit

<b>Date:</b> February 9, 2001	<b>Team Leader:</b> Cyrus Talati
<b>Country Manager/Director:</b> Klaus Rohland	<b>Sector Manager/Director:</b> Homi Kharas
<b>Project ID:</b> P072461	<b>Sector:</b> ME – Economic Management
<b>Lending Instrument:</b> Emergency Recovery Grant	<b>Theme(s):</b> Public Sector
	<b>Poverty Targeted Intervention:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

<b>Project Financing Data</b>				
<input type="checkbox"/> Loan	<input type="checkbox"/> Credit	<input checked="" type="checkbox"/> Grant	<input type="checkbox"/> Guarantee <input type="checkbox"/> Other [Specify]	
<b>Financing plan:</b>	<input type="checkbox"/> To be defined			
	<b>Source</b>	<b>Local</b>	<b>Foreign</b>	<b>Total</b>
	Trust Fund for East Timor	0	0.5	0.5
<b>Total:</b>		0	0.5	0.5
<b>Grantee:</b> EAST TIMOR				
<b>Responsible agency:</b> UNTAET, Central Fiscal Authority				
<b>Implementing agency:</b> UNTAET, Central Fiscal Authority				
<b>Contact person:</b> Michael Francino				
<b>Address:</b> UNTAET/GPA Building, Dili, East Timor				
<b>Tel:</b> 011-614-19-835-714	<b>Fax:</b>	<b>E-mail:</b> <a href="mailto:mfrancino@yahoo.com">mfrancino@yahoo.com</a>		

<b>Estimated disbursements (Bank FY/US\$M):</b>		
<b>FY</b>	<b>2000/01</b>	<b>2001/02</b>
<b>Annual</b>	0.275	0.225
<b>Cumulative</b>	0.275	0.500
<b>Project implementation period:</b> January 2001 - June 2002		
<b>Expected effectiveness date:</b> February 16, 2001		<b>Expected closing date:</b> December 31, 2002

## **A: Project Development Objective**

### **1. Project development objective: (See Annex 1)**

The objective of the project is to assist in strengthening the capacity of East Timor in evaluating economic options and designing and implementing economic policies through the training of relevant East Timorese staff. Among the enormous challenges confronting East Timor is a scarcity of individuals with the requisite skills for evaluating economic options and for designing and implementing a well coordinated set of economic policies. In short, there is a dearth of policy analysis skills. The international recruitment of expatriates by the United Nations Transitional Administration in East Timor (UNTAET) to help staff the emerging government economic development institutions is providing a temporary stop-gap to some of this skills shortage. But even in the near term, the scarcity of needed skills in East Timor will constrain the effective operation of key economic and financial institutions—in particular, the Central Fiscal Authority (CFA), the Central Payments Office (CPO), and the Research and Statistics Unit (RSU), which should provide data for economic analysis and policy-making. Substantial training of local staff will be needed to develop the domestic capacity needed to run these institutions effectively.

This Economic Institutions Capacity Building Project is designed to help provide this capacity as quickly as possible. The project pursues this by training East Timorese working on economic policies and decision making in basic and advanced tools of applied economic analysis. It also provides them the tools and training to prepare, implement and monitor budgetary performance through an integrated government accounting system. Additionally, it aims to train East Timorese to compile, analyze and maintain the main macroeconomic aggregates. To assist with retention and improve sustainability the project will also provide for follow up on the job training focused on developing and mentoring East Timorese staff in these central agencies.

The project complements concurrent support provided by the Asian Development Bank (ADB) on basic training and by multilateral and bilateral donors (including the IMF, Portugal, Australia and Japan) on higher level training abroad. The basic training being provided through the ADB is necessary to provide some of the foundation skills that the Bank's program will require.

Australia has provided two technical teams to work with the CFA since April 2000: one focussed on the Budget Department and the other on the Revenue Service. Technical assistance to the budget department is assisting with the development of the 2000 and 2001 East Timor Budgets, performance information and a consolidated budget picture. Technical assistance to the Revenue Service is assisting with the introduction of taxation legislation and collection of tax revenues. Australia is also providing two training coordinators to work with recently recruited East Timorese staff to those two Central Fiscal Authority departments. Assistance in 2000-01 is likely to be in the order of AUD3 million. Further assistance is being planned.

CIDA is also providing a package of assistance valued at C\$1.4m over 3 years to assist in building the capacity of the Revenue Service of the CFA.

Donor coordination on this and other matters is being conducted through the Trust Fund for East Timor (TFET) and the biannual meetings of donors. Utmost importance is being placed on developing the capacity of East Timorese to take the place of expatriate UNTAET staff as quickly as possible. East Timorese returning from abroad can provide some of the urgently needed capability, but additional capacity building through training will be vital.

## **2. Key performance indicators:**

The planned outcomes of the project are:

- Central Fiscal Authority and Central Payments Office staff participating in tools of applied economic analysis training.
- Greater East Timorese involvement in preparation of the FY2001/02 budget than was the case with the FY2000/01 budget.
- East Timorese leadership in preparation and execution of the FY2002/03 budget and high quality budget submissions.
- Chart of accounts and asset register for the future Government of East Timor.
- Sufficient information support from RSU for budget preparation and policy analysis.

The key performance indicators (**see Annex 1**) are:

- Number of staff trained in finance, economics and public expenditure analysis
- Integrated government accounting system established
- Number of government departments/agencies utilizing the integrated government accounting system
- Number of staff trained in the use of the integrated government accounting system
- Macroeconomic aggregates for East Timor

## B: Strategic Context

### 1. Sector-related Transitional Support Strategy goal supported by the project: (see Annex 1)

Document number: IDA/R2000-193

Date of latest TSS discussion: November 28, 2000

No Country Assistance Strategy has yet been prepared for East Timor, which voted for independence from Indonesia on August 30, 1999. In its stead, a Transitional Support Strategy (TSS) has been prepared. The Bank's TSS for East Timor was discussed by the Board on November 28, 2000. The World Bank-led Joint Assessment Mission (JAM) in November 1999 identified priority short-term reconstruction initiatives and estimates of external financing needs. Training in economic policy analysis to strengthen local capacity for economic management and a strong approach to budget management were identified as a priorities by this assessment mission. Subsequent World Bank and IMF work have reaffirmed this need.

### 2. Main sector issues and Government strategy:

Sound fiscal management, an effective reconstruction effort, and a policy environment conducive to efficient private sector development, are all critical for East Timor's development as an independent nation. Moreover, it would be desirable to assimilate East Timorese into senior economic policy making positions as soon as possible, and to ensure that they have capable local staff. But, as mentioned above, there is very limited East Timorese experience and current capacity in this area. Hence, achieving this objective calls for training in concepts and tools of applied economic analysis, provision of tools and training to ensure good budget management consistent with sound principles of public expenditure management, as well as providing sound information support for this analysis.

The strategy for addressing this need is for ADB, the TFET, and multilateral and bilateral donors (in particular, the IMF, Australia, Japan and Portugal) to all contribute in a complementary way. The ADB will support recruitment and basic training in accounting and principles and practices of public financial management, to provide and hone a bedrock set of skills. This proposed TFET grant would build on this by providing more advanced training in tools of applied economic analysis, provide the systems and training to support sound budget management and execution and the underlying information required to support these areas effectively.

### 3. Sector issues to be addressed by the project and strategic choices:

Issue	Strategic choices
Little indigenous capacity in East Timor for applied economic policy analysis.	Identify East Timorese with basic training and build on this capacity with additional training.
Limited capacity to design and implement fiscal programs.	Provide employees in the CFA and CPO with needed training.
Limited capacity to compile basic macroaggregates needed for applied economic policy analysis.	Identify East Timorese, possibly within RSU, with basic training and build on this capacity with additional training.



## C: Project Description Summary

**1. Project components:** (see Annex 2 for a detailed description and Annex 3 for a detailed cost breakdown)

Component	Sector	Indicative Costs (US\$M)	% of Total	Bank-financing (US\$M)	% of Bank-financing
<b>Component 1.</b> Foundations of Applied Economic Analysis – Macroeconomics And Microeconomics	Public	\$0.05	10	\$0.05	10
<b>Component 2.</b> Foundations of Applied Economic Analysis – International Economics, Public Finance, Monetary, Agricultural Economics	Public	\$0.05	10	\$0.05	10
<b>Component 3.</b> Public Expenditure Management, Budgetary Processes and Project Analysis	Public	\$0.05	10	\$0.05	10
<b>Component 4.</b> Government accounting system	Public	\$0.155	31	\$0.155	31
<b>Component 5.</b> On the job, economic analysis and policymaking	Public	0.06	12	0.06	12
<b>Component 6.</b> Compilation of main macroeconomic aggregates at current and constant prices	Public	\$0.10	20	\$0.10	20
<b>Others (Auditors Fee)</b>		\$0.025	5	\$0.025	5
<b>Total</b>		<b>\$0.490</b>	<b>98</b>	<b>\$0.490</b>	<b>98</b>
<b>Total Project Costs</b>		<b>\$0.50</b>	<b>100</b>	<b>\$0.50</b>	<b>100</b>
<b>Front-end fee</b>		<b>0.00</b>			
<b>Total Financing Required</b>		<b>\$0.50</b>	<b>100</b>	<b>\$0.50</b>	<b>100</b>

### 2. Key policy and institutional reforms supported by the project:

This project will support the underlying objective of imparting policy analysis skills to ensure capacity to design and implement sound economic policies, underpinned by strong budget management capacity, and the desire to have East Timorese in key economic policy making positions as soon as possible.

### 3. Benefits and target population:

The immediate beneficiaries will be those receiving the training. But all East Timorese will benefit from the maintenance of sound economic policies, application of good budgetary practices and the increase in national sovereignty over economic policy making.

### 4. Institutional and implementation arrangements:

*Implementation.* To achieve maximum integration with workplace needs and to minimize the chances of loss through out-migration, most of the training is to be provided in Dili. This will also minimize the disruption to ongoing work programs in the agencies where the candidates are drawn from and should foster a closer connection to national needs. CFA, CPO, and RSU management will be heavily involved in the identification of participants and refinement of the final course content. The World Bank Institute will also be involved in this phase both to ensure a transparent and open selection process but also as part of an *ex-ante* evaluation process for the candidates. (There will also be an *ex-post* evaluation process to measure the effectiveness of the project activities.) The World Bank Institute will also be involved in the design of the core course material once the evaluation process is complete. Selection of candidates will target women, consistent with the East Timor Transitional Administration policy of a 30 percent employment target for women in the public service. The current proportion is 22.9 percent, but nearly one-third of recruitment remains to be completed.

The actual training will be delivered through consultancies provided in association with the Civil Service Academy, which will also provide facilities and logistical support. The capacity of the fledgling Civil Service Academy is itself thin and the provision of much of the training through this body should begin to build the basis for sustained institutional capacity to cater to the training needs of the East Timorese civil service in the future. To improve retention and sustainability, there will also be training for local trainers, to allow refresher courses to be provided on an ongoing basis. Sustainability of the training component will also be buttressed through provision of resources for on the job training and mentoring of East Timorese staff. However, the long term sustainability will depend on stability in government administration which is as yet unproven. The training for and extension of the government accounting system component to cover all government departments and agencies will also be furnished through a consultancy. The training for the component to support compilation and maintenance of macroeconomic aggregates will also be conducted locally, although it is anticipated that some further advanced training in this area may be provided offshore to a sub-set of the candidates.

To avoid trainee-fatigue and excessive absence from the workplace, this training will be provided in blocks of four weeks at a time on a less than full time basis. The current plan is for training to be held in 4-6 week blocks with up to four weeks in between modules. (See Annex 2 for more details).

Instruction would be in Bahasa Indonesia as this is the language most familiar to the anticipated participants. The choice of Bahasa as the medium of instruction is not expected to be a sensitive issue, as it is the language in most widespread use in East Timor. Use and knowledge of English and Portuguese are limited.

*Project Management.* The project will be implemented by UNTAET's CFA. CFA is the responsible unit for the public treasury in East Timor and the Project Management Unit (PMU) will be located in CFA.

The CFA PMU will have overall responsibility for project activities. The Head of the CFA will be designated the Project Director and will be accountable for the effective delivery of training.

The Project Director will be supported by key technical specialists in the following areas: (a) training delivery; (b) procurement; and (c) financial and administrative management. The technical training delivery specialist will be supported by specialists on short-term consultant assignments. The other agencies participating in this project, namely the CPO, RSU and Civil Service Academy will each appoint a project liaison officer to ensure effective coordination with CFA and to maintain the schedule of project implementation. *The establishment of the PMU, including the appointment of the procurement and financial management specialists is a condition of effectiveness.*

*Disbursement Arrangements.* The proposed Project is expected to disburse over a period of 18 months from the date of effectiveness. Disbursement will commence using traditional disbursement methods—direct payments or Statement of Expenditure (SOE) reimbursements. All disbursements against contracts for operating costs, training, fellowships and workshops, and services of consulting firms costing US\$100,000 equivalent or less and individual consultants costing US\$50,000 equivalent or less will be made against certified Statements of Expenditures. The documentation supporting SOE disbursements will be retained by the PMU for at least one year after the receipt by IDA of the audit report for the year in which the last disbursement was made.

*Financial Management.* A Financial Manager (FM) with qualifications and experience acceptable to IDA will be appointed within the PMU. PMU will also assign adequate budgeting, accounting and support staff. The FM will establish appropriate accounting and internal control procedures for authorizing payments, recording of all project related expenditures, periodic financial reporting and preparation of annual financial statements for external audit. The accounting system will be designed to maintain separate project accounts for TFET funded activities in accordance with the Grant Agreement. Details of financial management arrangements are provided in Annex 6.

*Audit.* The PMU will prepare annual financial statements for the Project and have them audited by an independent external auditor acceptable to IDA. The auditor will be required to provide an opinion on the financial statements, the operations of the Special Account and the withdrawals from the grant based on statements of expenditures (SOEs). *The independent auditor will be appointed on terms of reference acceptable to IDA before June 30, 2001. The first audit will be carried out for the financial year ending June 30, 2001 and annually thereafter.*

*Procurement.* The authorities may face procurement issues as they have not gained enough experience in procurement. The main procurement issues are: (i) process in identification and choice of consultants according to Bank guidelines, (ii) bidding procedures; and (iii) precedence of World Bank procurement regulations over local laws and regulations.

*Reporting.* Monitoring and periodic reporting will be established for the training activities.

## **D: Project Rationale**

### **1. Project alternatives considered and reasons for rejection:**

Locating the bulk of the training outside of East Timor was rejected due to (a) the disruption due to the absence of participants from the workplace for lengthy periods. While intensive, the training is expected to be less than full-time thus allowing continuation of line duties, and (b) the cost. Moreover holding the training locally should help to foster an improved connection to national needs.

### **2. Major related projects financed by the Bank and/or other development agencies:**

(completed, ongoing and planned)

Sector issue	Project	Latest Supervision (Form 590) Ratings (Bank-financed projects only)	
		Implementation Progress (IP)	Development Objective (DO)
Bank-financed	Nil		
IMF	Basic training in macroeconomics, to be provided through the IMF Institute in Singapore.		
ADB	Basic training in computers, spreadsheet analysis, accounting and office processes.  Executive development for potential senior officials.		
AusAID	Technical assistance and training programs for the budget and revenue departments of the Central Fiscal Authority		
CIDA	Assistance over 3 years to the Revenue Service of the Central Fiscal Authority		
Other bilateral donors	Scholarships for tertiary education abroad		

Note: IP/DO Ratings: HS (Highly Satisfactory), S (Satisfactory), U (Unsatisfactory), HU (Highly Unsatisfactory)

### **3. Lessons learned and reflected in the project design:**

#### ***Lessons learned from other post-conflict situations***

Lessons from many post-conflict situations (including Cambodia, Mozambique, Bosnia, West and Central Africa, the Palestinian territories) point to the following factors as keys for success with this type of TA:

- Availability of potential staff for training.
- Attractive incentives for retaining staff after training in the public sector.
- Stability in the Government administration and the civil service.
- National ownership of the training program.
- Periodic follow-up refresher courses.
- On-the-job training for new staff provided by staff who have attended training.

### **4. Indications of recipient commitment and ownership:**

The National Council and the CNRT (Concelho Nacional da Resistência Timorese) have already supported this project as part of the FY2000/01 program of restructuring and development expenditures. Second, UNTAET officials, members of the civil service commission and management of the civil service academy have indicated support for this training.

### **5. Value added of Bank support in this project:**

The World Bank (especially the World Bank Institute) has extensive experience in designing and identifying such needs for training and in managing such capacity building initiatives.

## **E: Summary Project Analysis:** (detailed assessments are in the project file, see Annex 8)

### **1. Economic:**

Not applicable

### **2. Financial:** (see Annex 5)

Fiscal impact: Developing this local capacity will reduce the need for long-term technical support from abroad and hence the cost of securing that assistance.

### **3. Technical:**

Not applicable.

### **4. Institutional:**

a. Executing agencies: UNTAET's Central Fiscal Authority is the implementing agency.

b. Project management: The CFA will be providing the Project Director and technical staff necessary to manage the project. The CFA will be working with the Civil Service Academy, CPO and RSU in developing curriculum, course materials and identifying candidates for training.

c. Procurement issues: there needs to be reassurance that skills acquired by procurement officers in previous World Bank projects will be made available to this project.

d. Financial management issues: the project financial management system to be put in place will need to be acceptable to IDA.

**5. Social:**

Not applicable in the conventional sense, but there will be substantial social benefits from increased domestic ownership of key economic policy formulation and implementation.

**6. Environmental assessment:** Environmental Category  A  B  C

Not applicable

**7. Participatory approach:**

## a. Primary beneficiaries and other affected groups:

People receiving training will be the key beneficiaries.

## b. Other key stakeholders: East Timor's emerging political leadership.

**8. Safeguard Policies:**

Policy	Applicability
Environmental Assessment (OP 4.01, BP 4.01, GP 4.01)	No
Natural habitats (OP 4.04, BP 4.04, GP 4.04)	No
Forestry (OP 4.36, GP 4.36)	No
Pest Management (OP 4.09)	No
Cultural Property (OPN 11.03)	No
Indigenous Peoples (OD 4.20)	No
Involuntary Resettlement (OD 4.30)	No
Safety of Dams (OP 4.37, BP 4.37)	No
Projects in International Waters (OP 7.50, BP 7.50, GP 7.50)	No
Projects in Disputed Areas (OP 7.60, BP 7.60, GP 7.60)	No

**F: Sustainability and Risks****1. Sustainability:**

Sustainability will depend on the effectiveness of the training and whether those trained stay in East Timor and remain in the public service. Given the nature of capacity building—that it takes time and requires sustained effort—and the rudimentary nature of resources and skills in East Timor today, it would be optimistic to assume that this project would lead to long term sustained capacity increases. Rather the intention is to inculcate some economic thinking into the officials who will be making or supporting policy decisions for the future government of East Timor in a way that improves public policy and development outcomes. This activity should be important to inform future, larger scale capacity building initiatives by donors.

## 2. Critical Risks: (reflecting assumptions in the fourth column of Annex 1)

Risk	Risk Rating	Risk Minimization Measure
<b>From Outputs to Objective</b>		
People trained might leave East Timor	M	Holding the training in East Timor.
People trained might leave the civil service; and may not be provided the resources to effectively utilize their new skills.	M	Planning ongoing training over time will help maintain commitment to public service. Providing opportunities for advancement and responsibility in the civil service. But stability in government administration has yet to be proved.
Inability to identify suitable trainees	M	Delaying the preparation of this project until CFA, CPO, and RSU recruitment is well under way has reduced this risk.
<b>From Components to Outputs</b>		
People who begin training may not complete it	M	Planning in modules to minimize fatigue and drop outs.
<b>Overall Risk Rating</b>	M	

Note: Risk Rating - H (High Risk), S (Substantial Risk), M (Modest Risk), N (Negligible or Low Risk).

### 3. Possible Controversial Aspects:

Selecting Bahasa Indonesia as the language of instruction. Frequently, older East Timorese favor Portuguese while younger people favor English. All potential trainees are fluent in Bahasa Indonesia. The language of instruction is subject to revisit following selection of candidates for training, and should be dependent on the language skills of those selected.

Focusing training on civil servants and locating training in the Civil Service Academy. There would be value in providing training in basic tools of applied economics to a wider group of East Timorese, but the urgent need for increased capacity in public administration suggest focusing this initially on civil servants.

Choice of the CFA as manager may pose some risks given the inter-agency nature of the training component. It will be important to recognize this and to ensure adequate and equitable distribution of training slots across agencies.

## G: Main Grant Conditions

### 1. Effectiveness Conditions:

(a) that the Project Management Unit has been established within the Recipient's Central Fiscal Authority, with competent personnel in adequate numbers, including:

- (i) a Project Director who shall be the head of the Central Fiscal Authority;
- (ii) a training specialist;
- (ii) a procurement specialist; and
- (iii) a financial manager.

- (b) that an action plan for the financial management of the Project, acceptable to the Trustee, has been adopted; and
- (c) that a procurement action plan, acceptable to the Trustee, has been adopted

**2. Other :**

*Implementation*

1. UNTAET shall establish and thereafter maintain until completion of the Project, a Program Management Unit within CFA, with competent personnel in adequate numbers and provide the Project Management Unit at all times with adequate office space and communication facilities.

2 The Recipient shall:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the indicators set forth in Schedule 5 to this Agreement, the carrying out of the Project and the achievement of the objectives thereof;

(b) prepare, under terms of reference satisfactory to the Trustee, and furnish to the Trustee, on or about September 30, 2001, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

(c) review with the Trustee, by October 31, 2001, or such later date as the Trustee shall request, the report referred to in paragraph (b) of this Section, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Trustee's views on the matter.

*Financial:*

1. UNTAET will maintain or cause to be maintained records and accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures in respect of the Project of the departments or agencies of UNTAET responsible for carrying out the Project or any part thereof.

2. UNTAET will:

(a) have the records and accounts referred to in paragraph 1 above including those for the Special Account for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to IDA;

(b) furnish to IDA as soon as available, but in any case not later than six months after the end of each such year, the report of such audit by said auditors, of such scope and in such detail as IDA shall have reasonably requested; and

(c) furnish to IDA such other information concerning said records and accounts and the audit thereof as IDA shall from time to time reasonably request.

3. For all expenditures with respect to which withdrawals from the Grant Account were made on the basis of statements of expenditure, UNTAET will:

- (a) maintain or cause to be maintained, in accordance with paragraph 1 above, records and accounts reflecting such expenditures;
- (b) retain, until at least one year after IDA has received the audit report for the fiscal year in which the last withdrawal from the Grant Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;
- (c) enable IDA representatives to examine such records; and
- (d) ensure that such records and accounts are included in the annual audit referred to in paragraph 2 above and that the report of such audit contains a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

#### **H: Readiness for Implementation**

1. Initial batch of staff appointments for the CFA and CPO and probably RSU have been made thus providing participants for the first round of training.
2. The procurement documents for the first year's activities are complete and ready for the start of project implementation.

#### **I: Compliance with Bank Policies**

This project complies with all applicable Bank policies.



**Team Leader: Cyrus Talati, Senior Economist.**



**Sector Manager/Director: Homi Kharas, Sector Director.**



**Country Manager/Director: Klaus Rohland, Country Director.**



## Annex 1: Project Summary

Table A: Project Design Summary

## EAST TIMOR: Economic Institutions Capacity Building

Hierarchy of Objectives	Key Performance Indicators	Monitoring and Evaluation	Critical Assumptions
<p><b>Sector-related TSS Goal:</b> A TSS has been prepared which places emphasis on capacity building objectives.</p>	<p><b>Sector Indicators:</b> Increased government capacity to manage the national budget</p>	<p><b>Sector / Country Reports:</b></p>	
<p><b>Project Development Objective:</b> To strengthen capacity of basic applied economic policy analysis and formulation in East Timor.</p>	<p><b>Outcome / Impact Indicators:</b></p> <ul style="list-style-type: none"> <li>• CFA, CPO, and RSU staff participating in training.</li> <li>• Increased East Timorese involvement in preparation of the FY2001/02 budget than was the case with the FY2000/01 budget.</li> <li>• East Timorese leadership, preparation and execution of the FY2002/03 budget.</li> </ul>	<p><b>Project Reports:</b> Periodic project supervision reports</p>	<p>Availability of potential trainees.</p> <p>Transparent identification process for potential participants.</p>
<p><b>Output from each component:</b> East Timorese staff trained in microeconomic, macroeconomics, international economics, public finance, monetary and agricultural economics; compilation of main macroeconomic aggregates.</p> <p>Government accounting system up and running</p>	<p><b>Output Indicators:</b> Number of staff trained.</p> <p>Timely formulation and implementation of policy decisions, attributed to trained staff.</p> <p>Macroeconomic aggregates for the East Timor economy.</p> <p>Number of departments using the system and number of staff trained in its use. Chart of accounts for government and asset register.</p>	<p><b>Project Reports:</b> Periodic project supervision report from each project component.</p>	<p>Availability of potential trainees.</p> <p>Availability of good training resources.</p>

## Annex 1: Project Design Summary

### Table B: Project Performance Indicators

#### EAST TIMOR: Economic Institutions Capacity Building

Indicator	Mid-Term	Project Completion
Number of staff trained in finance, economics and public expenditure analysis	30 or more	50 or more
Integrated government accounting system established	Chart of accounts established	Asset register established
Number of government departments/agencies utilizing the integrated government accounting system	Six or more	Sixteen or more
Number of staff trained in the use of the integrated government accounting system	12 or more	32 or more
Macroeconomic aggregates for East Timor	Methodology established and survey/data collection initiated	Baseline national accounts prepared up to FY2000/2001

## Annex 2: Project Description

## EAST TIMOR: Economic Institutions Capacity Building

Courses	Modules (Preliminary List)	Description	Number of Participants	Course Duration	Hours Per Day	Number of Trainers
<b>I. Foundations of Applied Economic Analysis - Part 1</b>		This course is intended for newly recruited local staff, who may be recently graduated students with some basic knowledge of economics.  The contents and complexity will be based on an assessment aimed at the candidate pool. Each module of the training will equip participants to undertake economic analysis and evaluate policy options based on a case study approach. The time would be planned in such a way as to allow lectures, exercise sessions, hands-on computer assignments, and group study periods.	<b>30</b>	<b>4 weeks</b>	<b>4</b>	<b>TBD</b>
	1. Microeconomics		---		--	
	2. Macroeconomics		---			
<b>II. Foundations of Applied Economic Analysis – Part II</b>		As for I above.	<b>30</b>	<b>4 weeks</b>	<b>4</b>	<b>TBD</b>
	1. Public Finance	One of the conference topics would be a roundtable discussion on the Timorese economy, with both Timorese and international economists making presentations. Other topics will include: Small States and Meeting the Challenge in the Global Economy.  Agriculture economics is included as a special topic as agriculture remains the prime economic activity and is the main source of livelihood for 90 percent of the population. This course would include a focus on special areas including sample surveys to collect data and the differential impact of policies on gender status.	---			
	2. International Economics		---			
	3. Monetary Economics		---			
	4. Agricultural economics		---			

## Annex 2: Project Description

## EAST TIMOR: Economic Institutions Capacity Building

Courses	Modules (Preliminary List)	Description	Number of Participants	Course Duration	Hours Per Day	Number of Trainers
<b>III. Public Expenditure Management, Budgetary Processes and Project Analysis</b>		The broad objective of this course is to examine and understand issues in public expenditure management and build capacity for effective public financial management. The course will begin with an overview of the architecture and principles of budgeting and financial accountability. This will require that participants be trained to understand the need for public sector financial management systems to be rooted in mechanisms to ensure transparency and democratic accountability. The course will present a holistic approach to public expenditure management, based on the observation that expenditure outcomes are determined in large part by the institutional and incentive structures—both formal and informal—that govern the budget process. The course should provide participants the tools to inform decision-making with economic information, and discipline it with costs. The course will also focus on operational issues including: the budget timetable; budget circulars, etc. How the expenditure management and control system will operate; where bank accounts will be located; who will approve what.	<b>30</b>	<b>4 weeks</b>	<b>4</b>	<b>TBD</b>
	1. Introduction to Managing Public Expenditure-A Contemporary Approach and Establishing Aggregate Fiscal Discipline					
	2. Strategic Prioritization and Resource Allocation					
	3. Improving Operational Efficiency and the Delivery of Public Service					
	4. Operational Issues and Policy Coordination					
	5. Project and Expenditure Analysis					
<b>IV. Government Accounting System</b>		This component aims to establish an integrated government accounting system (GAS) and train (32) East Timorese staff in its use in order to establish budget execution and management capacity. Specific elements of the program include creation of an asset register and decentralization to agencies.	<b>45</b>	<b>16</b>	<b>4</b>	<b>TBD</b>
<b>V. On the Job Economic Analysis and Policymaking</b>		This aims to provide subsequent on the job training and mentoring to East Timorese staff, mainly in the CFA by Bahasa speaking economists. This will serve to consolidate and sustain the formal training components.	<b>25</b>	<b>12</b>	<b>8</b>	<b>TBD</b>

## Annex 2: Project Description

## EAST TIMOR: Economic Institutions Capacity Building

Courses	Modules (Preliminary List)	Description	Number of Participants	Course Duration	Hours Per Day	Number of Trainers
<b>VI. Compilation of Main Macroeconomic Aggregates</b>		This course is intended for current and newly recruited local staff of RSU, who already have some basic knowledge of economic statistics and SNA. The contents are to provide the foundation for compilation of GDP and its components, particularly the use of sample surveys to collect data. Each module of the training will include assessment of the current situation in East Timor statistical practice and short- and long-term objectives in statistical capacity building. The time would be planned in such a way as to allow lectures, exercise sessions, hands-on computer assignments, and group study periods. A baseline national accounts for East Timor will be generated from this exercise.				
	1. Introduction to SNA – a comprehensive framework within which economic data can be compiled and presented for economic analysis		15 (may be increased to include CFA budget department staff)	2 weeks	4	TBD
	2. Methodology of GDP and its components' compilation at current and constant prices		15	3 weeks	4	TBD
	3. Source data for compilation of GDP and its components; Statistical infrastructure needed for compilation of reliable GDP estimates		15	3 weeks	4	TBD
	4. Simulation of GDP compilation for years 1995-1997; compilation of tentative estimates for years 2000-2001		15	4 weeks	4	TBD

### Annex 3: Estimated Project Costs

#### EAST TIMOR: Economic Institutions Capacity Building

Project Cost By Component	Local	Foreign	Total
		US \$	
I. Foundations of Applied Economic Analysis – Part 1	2,000	48,000	50,000
II. Foundations of Applied Economic Analysis – Part I	2,000	48,000	50,000
III. Public Expenditure Management, Budgetary Processes and Project Analysis	2,000	48,000	50,000
IV. Government Accounting System		155,000	155,000
V. On the Job Training in Economic Analysis	2,000	58,000	60,000
VI. Compilation of Main Macroeconomic Aggregates	5,000	95,000	100,000
Other (audit)	1,000	24,000	25,000
<b>Total Baseline Cost</b>	14,000	476,000	490,000
Physical Contingencies			
Price Contingencies	5,000	5,000	10,000
<b>Total Project Costs</b>	19,000	481,000	500,000
<b>Total Financing Required</b>	19,000	481,000	500,000

### Annex 4: Cost Benefit Analysis Summary

Not Applicable

### Annex 5: Financial Summary

#### EAST TIMOR: Economic Institutions Capacity Building Year ending June 30

	Implementation Period	
	FY2000/01	FY2001/02
<b>Total Financing Required</b>		
<b>Project Costs</b>	\$275,000	\$225,000
<b>Total Financing</b>	\$275,000	\$225,000
<b>Financing</b>		
Others – TFET grant	\$275,000	\$225,000
<b>Total Project Financing</b>	\$275,000	\$225,000

## **Annex 6: Procurement and Disbursement Arrangements**

### **EAST TIMOR: Economic Institutions Capacity Building**

#### ***Procurement Assessment***

The UNTAET has established a central procurement unit (CPU) that deals with the UNTAET Trust Fund financed procurements. However, the CPU is currently staffed by international staff, many of whom have limited exposure to World Bank and other multi-national procurement procedures. Further there is a limited number of East Timorese personnel experienced in procurement.. This central procurement unit is supported by the United Nations Office for Project Services (UNOPS) to develop a government procurement unit within the administrative services component. Procurement capacity has been established in some of the sectoral units that are likely to evolve into departments or ministries in the future. The CPU is in the process of employing local staff to initiate the develop of a sustainable procurement cadre. To strengthen the skill of the East Timorese procurement staff, a series of interrelated action plans, including workshops, formal and informal training, mentoring, and on the job training programs is being developed in conjunction with UNOPS, UNTAET, World Bank, UNDP, ILO, and ADB. The aim of the action plan is to create a sustainable procurement unit that will operate in accordance with international procurement practices. This capacity building process is scheduled to begin in December 2000, with a series of workshops. Once local procurement officers are appointed to support activities it is planned to send the individuals to World Bank supported procurement seminars in the region. A current constraint is the limited number of local staff available to this area. Consequently, most of procurement is being performed by short term international staff with a maximum tenure of six months. In addition, there is a fluency issue as most East Timorese nationals have limited ability to communicate in the English language, especially in written form. The World Bank will continue to participate in this capacity building effort by conducting seminars for the Central Procurement Unit, UNOPS, and UNTAET staff. In addition, provisions for procurement support have been and will continue to be provided through ongoing projects to a number of these sectoral units to build their capacity, including the provision of language training. This capacity will ensure that Bank Guidelines for procurement under the project are followed.

#### ***Procurement methods (Table A)***

Procurement under the Grant will follow in all aspects the Bank's Guidelines: Selection and Employment by World Bank Borrowers, January 1997, revised September 1997 and January 1999 for procurement of services under the Grant. The Recipient will use the, Standard Form of Consulting Contracts and Requests for Proposals (dated July 1997, revised April 1998 and July 1999), and Standard Bid Evaluation Report Forms.

#### ***Implementation***

A procurement officer experienced in World Bank procurement will be assigned from UNTAET's central procurement office to support the Project Director in the implementation of the agreed procurement plan.

#### ***Advertisement***

To ensure a competitive selection process is followed even though the value of the consultant services are relatively small (US\$100,000), a Special Procurement Notice will be published in widely read regional journals and or publications inviting eligible consultants to express interest for the technical assistance/consulting services required under the project.

## *Consulting Services*

The following procurement procedures will be used:

1. Consultants Qualifications (CQ) procedures will be used for the component relating to the macroeconomic aggregates. It is essential to employ a firm with extensive experience in environments characterized by a low skills base, rudimentary technology and a traumatized public service delivery system. The total value is estimated not to exceed US\$100,000 equivalent. About 20 percent of consulting services will be procured using CQ procedures.
2. Least Cost Selection (LCS) procedures will be used for selection of an auditor to carry out audit of the Project. The value of contracts awarded through LC selection will not exceed US\$25,000 equivalent (about 5% of total consulting services).
3. Individual Consultants (IC) procedures will be used for contracting individuals to provide services for the following areas: modules covering applied economic analysis, public expenditure management and on the job training under the economic analysis and training component. These consultants will be hired by the PMU. Individual consultants will be selected under the procedures specified in Section V of the Bank Guidelines for the Selection and Employment of Consultants on the basis of their qualifications through comparison with other qualified candidates. It is expected that the maximum value of the contract for provision of the formal training module will be US\$150,000 equivalent. It is also expected that the cost of two contracts for provision of on the job training will not exceed US\$60,000 equivalent. The total cost of this category will not exceed US\$210,000 equivalent (about 43% of total consulting services).
4. Single Source (SS) selection will be used for the selection of the firm to establish an integrated government accounting system and train East Timorese staff in its use and also for the on the job training component. The software selected by East Timor has been determined by UNTAET, based on the recommendation of the IMF. The IMF recommendation was based particularly on the successful installation of the system in a similar emergency situation in Kosovo. In the case of site licenses for the software, the required software is proprietary and obtainable only from one source. Direct contracting arrangements to train Treasury staff in the operation of the system will be in accordance with paragraph 3.7(c) of the Bank's procurement guidelines. The total value of contracts awarded through sole sourcing to this provider is estimated not to exceed US\$155,000 equivalent (about 32% of total consulting services).

## **Operating costs**

The operating costs of the PMU are to be borne by the regular UNTAET budget. These are not expected to be incremental to the project.

## **Prior review thresholds (Table B).**

IDA's prior review of procurement will cover all consulting contracts costing US\$100,000 or more for firms and US\$50,000 or more for individuals, **contracts for assignments of a critical nature, as reasonably determined by IDA; and all single source contracts.** The Task Team Leader will approve all TORs.

## Disbursement

The proposed Project is expected to disburse over a period of 18 months from date of effectiveness. Disbursement will commence using traditional disbursement methods—direct payments or Statement of Expenditure reimbursements etc. All disbursements against contracts for consulting firms costing US\$100,000 equivalent or more and individual consultants costing US\$50,000 equivalent or more, and all single source contracts, will be fully documented,. All other contracts will be made against certified Statements of Expenditures. The documentation supporting SOE disbursements will be retained by the PMU for at least one year after the receipt by IDA of the audit report for the year in which the last disbursement was made.



### ***Special Account***

To facilitate timely project implementation UNTAET will establish a Special Account denominated in U.S. dollars under terms and conditions acceptable to IDA with a commercial bank acceptable to IDA. The authorized allocation for the Special Account will be US\$100,000. The replenishment applications should be submitted by PMU and/or UNTAET/CFA on a monthly basis or when the balance of the Special Account is 20 percent of the initial amount, whichever comes first. The Special Account will be audited annually by independent auditors acceptable to IDA.

### **Financial Management Assessment**

The UNTAET Financial Office in Dili is currently responsible for all accounting and reporting activities. The CFA has assumed financial management responsibilities of UNTAET and therefore, a basic institutional framework is present to establish sound internal control procedures and accounting and reporting arrangements. Most of the staff currently on board are being trained on Bank disbursement procedures for a different project. A senior Disbursement Specialist from the World Bank visited Dili in March and October 2000 and conducted a training seminar on IDA disbursement procedures. Subject to the above, it is the assessment of the Joint mission that UNTAET has taken adequate steps to meet the minimum standards of financial management and accountability as required by IDA. The following paragraphs describe the financial management arrangements expected to be put in place for accounting, reporting and auditing of project expenditures.

### ***Retroactive Financing***

The following conditions will apply to all retroactive financing:

- (a) Payments will only be for expenditures that are eligible under the Grant Agreement. Procedures for procurement and the use of consultants, and processing and clearances will be subject to the Bank's Procurement and Consultant Guidelines.
- (b) Documentation requirements for expenditures claimed under retroactive financing will be the same as those for disbursement against payments made after the Grant Agreement is signed.

Emergency recovery operations: payments may not exceed 20 percent of the loan amount and must be made after the occurrence of the emergency and within 4 months before the expected date of loan signing. In exceptional circumstances, the date of the first mission or the date of the emergency event may be used as the earliest date for payments eligible for retroactive financing (see OP / BP / GP 8.50, *Emergency Recovery Assistance*). Retroactive financing under this project is expected for initial activity under the integrated government accounting system component. The retroactive financing need is estimated not to exceed US\$70,000 or equivalent, and will cover expenditures incurred beginning in September 2000.

The decision to standardize Government accounts on a proprietary software system was based on the recommendations of the IMF in early 2000. This followed assessment of various packages and the positive experience with this product in a similar post conflict environment where there were no existing Government systems. UNTAET subsequently sought assistance from the World Bank to provide initial technical assistance to East Timor to install and use the software. This was done through a contract for \$24,00 in fees and up to \$11,00 in travel and costs with the sole supplier. There was no procurement of goods.

Subsequently UNTAET in conjunction with the IMF decided that the training activities needed to be extended. This is currently being undertaken. UNTAET also decided to install the system in a range of line agencies as well as the central agencies. This requires that the contract with the supplier be extended to cover a larger scale of activity. On the basis of these extensions, the full cost of this assistance will be incorporated into the Economic Institutions Capacity Building Project grant agreement and managed by UNTAET. The initial consultancy and additional training costs will be paid by the CFA through retroactive financing.

### ***Proposed Financial Management Arrangements***

The objectives of the financial management arrangements are summarized below:

- (a) to ensure proper planning, budgeting, accounting, reporting and auditing of the TFET funded activities; and
- (b) to ensure proper planning, budgeting, accounting, reporting and auditing of special account for TFET funded activities.

***Accounting Organization and Staffing.*** A Financial Manager (FM) with qualifications and experience acceptable to IDA will be assigned by the CFA to the PMU. The PMU will have primary responsibility for all financial management activities of the Program. The FM will report to the Program Director. The UNTAET/CFA will provide overall guidance and supervision to the FM in ensuring that functions are carried out in accordance with the agreed guidelines. The FM will be assisted by sufficient staff to carry out planning, budgeting, accounting and reporting functions for the project.

***Funds Flow.*** The funding sources for the Program will come from the Trust Fund for East Timor (TFET) (for training costs) and the UNTAET Trust Fund (for operating costs). The FM will be responsible for requesting disbursement from the TFET for agreed Project activities. The disbursement requests will be routed through the designated UNTAET official authorized to sign applications to withdraw funds from the Grant Account established for the Project. Based on authorized requests to disburse funds, IDA will withdraw and pay funds directly to a supplier or transfer funds to a Special Account to be managed by UNTAET/CFA under agreed procedures. The disbursement procedures for UNTAET TF allocated to the Program will be determined by UNTAET/CFA.

It is likely that the majority of Project funds will flow from IDA directly to the consultants required to provide the training services. For all other expenditures funded by the TFET, a Special Account will be established with a bank acceptable to IDA under the control of the UNTAET/CFA to channel TFET funds. All recurrent costs related to the project will be funded from the Consolidated Fund for East Timor through the CFA operating budget.

***Planning & Budgeting.*** The preparation of the budget plans for project implementation will be the responsibility of the PMU.

The budget should be prepared in such detail to allow meaningful monitoring of Project implementation. The budget should be coordinated with the procurement plans and supported by a cash forecast for at least three months.

***Accounting and Reporting.*** The primary responsibility for maintaining accounting records for the project will be with the FM /PMU. The PMU with the guidance of the CFA will establish appropriate accounting and internal control procedures for authorizing payments, recording of all project related expenditures, periodic financial reporting and preparation of annual financial statements for external audit. The accounting system should be designed to maintain separate project accounts for TEFT funded activities in accordance with the Trust Fund Grant Agreement. The FM/PMU will ensure that quarterly and annual financial reports comparing budgeted and actual expenditures are prepared for the Project. The financial reports will consist of: (a) Sources and Applications of Funds Statement; (b) Uses of Funds by Project Activity; and (c) Output Monitoring Report. ***The financial reports shall be prepared and submitted to IDA no later than 45 days following the end of the quarter.***

***Auditing.*** The UNTAET/CFA will be responsible to carry out internal auditing of the project activities. The PMU will prepare annual financial statements for the Project and have them audited by an independent external auditor acceptable to IDA. The auditor will be required to provide an opinion on the financial statements, the operations of the Special Account and the withdrawals from the grant based on statements of expenditures (SOEs). ***The independent auditor will be appointed on terms of reference acceptable to IDA.***

**Annex 6 -- Table A: Consultant Selection Arrangements**  
(in US\$ million equivalent)

Consultant Services Expenditure Category	Selection Method							Total Cost
	QCBS	QBS	SFB	LCS	CQ	Other	N.B.F.	
<b>A. Firms</b>	( )	( )	( )	0.025 (0.025)	( )	0.155 (0.155)	( )	0.18 (0.18)
<b>B. Individuals</b>	( )	( )	( )	( )	0.10 (0.10)	0.210 (0.210)	( )	0.31 (0.31)
<b>Sub Total</b>				0.025 ( )	0.10 (0.10)	0.365 (0.365)	( )	0.49 (0.49)
<b>Contingencies Total</b>								0.01 (0.50) (0.50)

Note: QCBS = Quality- and Cost-Based Selection  
 QBS = Quality-based Selection  
 SFB = Selection under a Fixed Budget  
 LCS = Least-Cost Selection  
 CQ = Selection Based on Consultants' Qualifications  
 Other = Selection of individual consultants (per Section V of Consultants Guidelines), Commercial Practices, etc.  
 N.B.F. = Not Bank-financed.  
 Figures in parenthesis are the amounts to be financed by the Bank grant.

**Annex 6 -- Table B: Thresholds for Procurement Methods and Prior Review**

Expenditure Category	Contract Value (Threshold) US \$ thousands	Procurement Method	Contracts Subject to Prior Review US \$ millions
<b>Services</b>	= or >US\$100,000 (Firms)	CQ	0.100
		SS	0.155
	= or >US\$50,000 (Individuals)	IC	0.150
<b>Total value of contracts subject to prior review:</b>			<b>US\$0.405</b>

**Overall Procurement Risk Assessment:**

High	<input checked="" type="checkbox"/>
Average	<input type="checkbox"/>
Low	<input type="checkbox"/>

**Frequency of procurement supervision missions proposed:** One every 4 months (includes special procurement supervision for post-review/audits)

**Annex 6 -- Table C: Allocation of Grant Proceeds**

<b>Expenditure Category</b>	<b>Amount in US\$ million</b>	<b>Financing Percentage</b>
Consultant Services, Training, fellowships and workshops /a	\$465,000	100%
Incremental operating costs relating to Project auditing	\$25,000	100%
Unallocated	\$10,000	
<b>Total</b>	<b>\$500,000</b>	

/a. Consultants Services and Training includes fees for preparation and training, interpreters fees, meals, taxis, return trip plane ticket, subsistence, travel; course supplies; participants transportation and meals, and logistical arrangements (copying and translating instructional material). Figures given assume greater costs for the initial investment in translation of materials and consultants services. Some participants trained the first year could provide training in the second year. Also, with the University of East Timor and Civil Service Academy, there could be greater use of their resources, including training materials and trainers.

**Annex 7: Project Processing Budget and Schedule**  
**EAST TIMOR: Economic Institutions Capacity Building**

<b>Project Schedule</b>	<b>Planned (At final PCD stage)</b>	<b>Actual</b>
<b>Time taken to prepare the project (months)</b>	6	9
<b>First Bank mission (identification)</b>	08/15/2000	08/15/2000
<b>Appraisal mission departure</b>	11/09/2000	11/09/2000
<b>Negotiations</b>	11/21/2000	12/04/2000
<b>Planned Date of Effectiveness</b>	04/15/2001	

Prepared by: UNTAET

Preparation assistance: Not applicable.

Bank staff who worked on the project included:

<b>Name</b>	<b>Specialty</b>
Cyrus Talati	Senior Economist
Lloyd McKay	Lead Economist
Thang-Long Ton	Economist
Murray Proctor	Senior Public Sector Management Specialist
Olga Ivanova	Senior Economist
Michael Stevens	Lead Public Sector Development Specialist
Robert Cohen	Project Financial Management Specialist
Karen Sirker	WBI training advisor
Gillian Brown	Senior Gender Specialist
Mary Sheehan	Lead Infrastructure Operations Officer
Hilary Kiell	Senior Procurement Specialist
Hung Kim Phung	Senior Disbursement Officer
Karin Nordlander	Senior Counsel

## **Annex 8: Documents in the Project File\***

### **EAST TIMOR: Economic Institutions Capacity Building**

#### **A. Project Implementation Plan**

Proposal for a Financial System for the East Timor Transitional Administration, *UNTAET, October 2000.*

Economic Institutions Capacity Building Project: Project Implementation Action Plan, *UNTAET, November 2000.*

Information Technology Plan & Costings: Central Fiscal Authority, *November 2000.*

#### **B. Bank Staff Assessments**

#### **C. Other**

\*Including electronic files.

### Annex 9: Statement of TFET Grants

#### EAST TIMOR: Economic Institutions Capacity Building

Activity/Project/Grant	Grant Agreement Date	Amount of Grant US\$ million
Community Empowerment	February 21, 2000	8.6
Dili Community Employment	April 3, 2000	0.5
Emergency Infrastructure (ADB)	April 5, 2000	29.8
Small Enterprise	April 13, 2000	4.9
Health	June 6, 2000	12.7
Education	June 21, 2000	13.9
Agriculture	June 21, 2000	6.8
Water and Sanitation (ADB)	August 15, 2000	4.5
Microfinance (ADB)	December 2000	4.0
<b><u>TOTAL</u></b>		<b><u>85.7</u></b>

## **Annex 10: Country at a Glance**

### **EAST TIMOR: Economic Institutions Capacity Building**

There are no available historical data for East Timor to complete the Country At A Glance Table (AAG).