

Document of
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IMPLEMENTATION COMPLETION AND RESULTS REPORT
(TF-012495)

ON A

GLOBAL PARTNERSHIP FOR EDUCATION FUND GRANT

IN THE AMOUNT OF
US\$2.8 MILLION

TO

THE DEMOCRATIC REPUBLIC OF TIMOR-LESTE

FOR A

MANAGEMENT STRENGTHENING PROJECT

January 29, 2015

Education Global Practice
East Asia and Pacific Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective December 30, 2015)

Currency Unit = US\$

FISCAL YEAR
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AAP	Annual Action Plan	ISR	Implementation Status and Results Reports
ACETL	Joint Action for Education in Timor-Leste	KPI	Key Performance Indicators
AJR	Annual Joint Review	LEG	Local Education Group
AusAID/DFAT	Australian Agency for International Development/Department of Foreign Affairs and Trade	MDG	Millennium Development Goals
CDP	Capacity Development Plan	M&E	Monitoring and Evaluation
CPS	Country Partnership Strategy	MoE	Ministry of Education
DG-CS	Director-General for Corporate Services	MoF	Ministry of Finance
DNA	National Directorate of Procurement	MSAF	Management Strengthen Action Framework
DNPFAL	National Directorate of Planning, Finance, Logistics and Administration	MSP	Management Strengthening Project
EGRA	Early Grade Reading Assessment	MTBME	Mother Tongue-based Multilingual Education Pilot Program
EFA	Education for All	MTR	Mid-term Review
ESAF	Education Sector Analytical Facility	NESP	National Education Strategic Plan
ESSSP	Education Sector Support Project	NSDP	National Strategic Development Plan
EMIS	Education Management Information System	NCB	National Competitive Bidding
EQR	External Quality Review	NPV	Net Present Value
FM	Financial Management	PAF	Performance Assessment Framework
GAEM	Office of Strategic Advice and Modernization	PDO	Project Development Objective
GoTL	Government of Timor-Leste	PFM	Public Financial Management
GPE	Global Partnership for Education	PIU	Project Implementation Unit
ICB	International Competitive Bidding	POM	Project Operations Manual
ICR	Implementation Completion Report	SEFI	State for Institutional

			Strengthening
WDR	World Development Report	SOP	Standard Operating Procedure
IDA	International Development Association	TTL	Task Team Leader TTL
IFR	Interim Financial Reports	TOR	Terms of Reference
INFORDEPE	National Institute for Professional Educators Training	UNICEF	United Nations Children's Education Fund

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THE DEMOCRATIC REPUBLIC OF TIMOR-LESTE
Management Strengthening Project

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Data Sheet

A. Basic Information			
Country:	Timor-Leste	Project Name:	GPE Management Strengthening Project
Project ID:	P125443	L/C/TF Number(s):	TF-12495
ICR Date:	01/29/2016	ICR Type:	Core ICR
Lending Instrument:	Specific Investment Lending	Grantee:	Democratic Republic of Timor-Leste
Original Total Commitment:	USD 2.80M	Disbursed Amount:	USD 2.54M
Revised Amount:	USD 2.80M		
Environmental Category: C			
Implementing Agencies: Ministry of Education			
Cofinanciers and Other External Partners: UNICEF			

B. Key Dates				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	08/05/2011	Effectiveness:	07/9/2012	06/25/2012
Appraisal:	05/17/2012	Restructuring(s):		
Approval:	06/12/2012	Mid-term Review:	05/26/2014	05/16/2014
		Closing:	07/31/2015	07/31/2015

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Moderately Satisfactory
Risk to Development Outcome:	Substantial
Bank Performance:	Moderately Satisfactory
Grantee Performance:	Moderately Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)			
Bank	Ratings	Borrower	Ratings
Quality at Entry:	Moderately Satisfactory	Government:	Moderately Unsatisfactory
Quality of Supervision:	Satisfactory	Implementing Agency/Agencies:	Moderately Satisfactory
Overall Bank Performance:	Moderately Satisfactory	Overall Borrower Performance:	Moderately Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators			
Implementation Performance	Indicators	QAG Assessments (if any)	Rating
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	None
Problem Project at any time (Yes/No):	Yes	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Moderately Unsatisfactory		

D. Sector and Theme Codes		
	Original	Actual
Sector Code (as % of total Bank financing)		
General Education	100	100
Theme Code (as % of total Bank financing)		
Education for All	100	100

E. Bank Staff		
Positions	At ICR	At Approval
Vice President:	Axel van Trotsenburg	Pamela Cox
Country Director:	Franz R. Drees-Gross	Ferid Belhaj
Practice Manager/Manager:	Harry Anthony Patrinos	Luis Benveniste
Project Team Leader:	Susiana Iskandar	Dandan Chen
ICR Team Leader:	Susiana Iskandar	
ICR Primary Author:	Sandra Beemer	

F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)

The project development objective was to support the implementation of the National Education Sector Plan (NESP) through strengthening the capacity and systems of the Ministry of Education (MoE).

Revised Project Development Objectives (as approved by original approving authority)

Not applicable

(a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Improved rating of sector management capacity assessment			
Value (quantitative or qualitative)	N/A	Yes		Partially Source: SEFI Assessment
Date achieved	06/05/12	7/31/2015		7/31/2015
Comments (incl. % achievement)	MoE used the government Sector Management Capacity Assessment mechanism from 2012, which was conducted in 2013 and made recommendations for improvement that were implemented. The next SEFI will be administered in 2016 and is expected to show an improved rating.			

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Performance by Targeted Management Directorates and key staff against Annual Action Plans and Budget Plans and relevant NESP Priority Programs (related to Component 1)			
Value (quantitative or qualitative)	50.0%	100.0%	N/A	97.7% Source: MoE
Date achieved	06/05/12	07/31/2015		7/31/2015
Comments (incl. % achievement)	Target was missed by 2.3 percent. However, a 47.7 percent increase during a period of political change and limited capacity is impressive.			
Indicator 2 :	Strengthening of public financial management systems in the Ministry: The average deviation (in percentage) of budget execution from original budget across all National Directorate (related to Component 2)			
Value (quantitative or qualitative)	6.0	3.0		4.9 Source: MoE
Date achieved	06/05/12	7/31/2015		7/31/2015
Comments (incl. % achievement)	Target was missed however, the trend is positive considering the political changes and MoF late release of budgets during the project period.			
Indicator 3 :	Strengthening of public financial management systems in the Ministry: Budget execution rate measured in cash basis (related to Component 2)			
Value (quantitative or qualitative)	94.0	97.0		95.5 Source: MoE
Date achieved	06/05/12	7/31/2015		7/31/2015

Comments (incl. % achievement)	Target missed by 1.5 percent. Again, a positive trend considering political changes and limited capacity.			
Indicator 4 :	Strengthening of public financial management systems in the Ministry: Presence of transparency, competition and complaints mechanisms in procurement (related to Component 2)			
Value (quantitative or qualitative)	No	Yes		Yes Source: MoE
Date achieved	06/05/12	7/31/2015		7/31/2015
Comments (incl. % achievement)	Target met.			

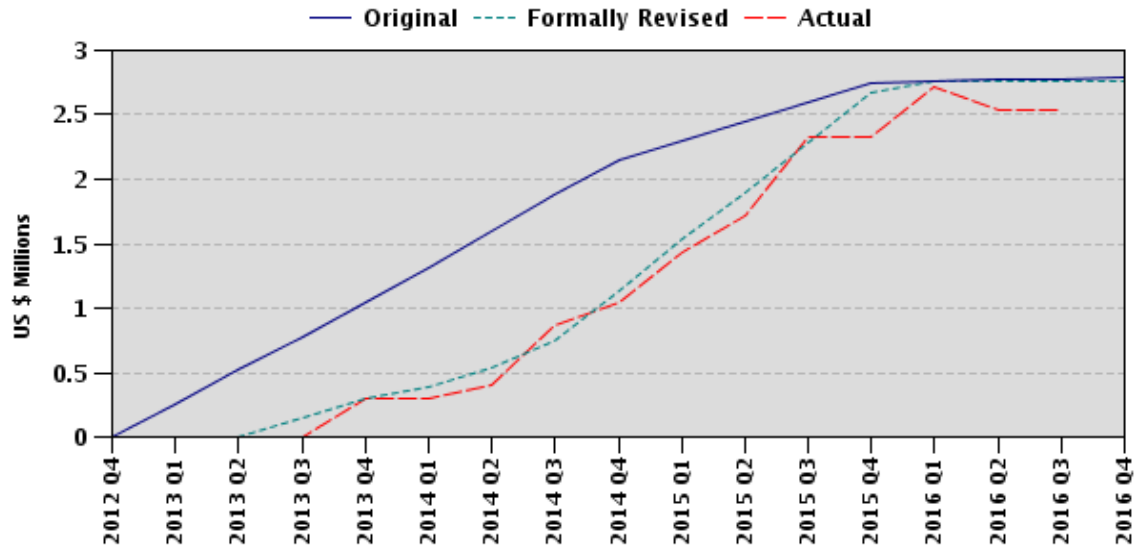
G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	DO	IP	Actual Disbursements (USD millions)
1	05/23/2013	Satisfactory	Satisfactory	0.00
2	06/20/2013	Moderately Satisfactory	Moderately Satisfactory	0.00
3	05/03/2014	Moderately Unsatisfactory	Moderately Satisfactory	0.87
4	07/28/2014	Moderately Unsatisfactory	Moderately Satisfactory	1.05
5	01/21/2015	Moderately Unsatisfactory	Moderately Satisfactory	1.71
6	07/31/2015	Moderately Unsatisfactory	Moderately Unsatisfactory	2.54

H. Restructuring (if any)

Not Applicable

I. Disbursement Profile



1. Project Context, Development Objectives and Design

1.1 Context at Appraisal

1. **Country context.** In May 2002, Timor-Leste had regained independence and, by and large, had to rebuild its institutions from zero. The challenges related to rebuilding institutions and building the needed capacity was confirmed by the 2011 World Development Report (WDR) on “Conflict, Security and Development”, which stated that establishing a well-function state can take decades and newly-created countries are at a high risk of relapses into violence (as evidenced by the crisis in Timor-Leste in 2006). By the time of project appraisal, Timor-Leste was a country in transition from a low- to medium-income status, mainly due to oil and gas revenues. Although there had been significant progress in the creation of the architecture of governance and the associated legal and institutional frameworks, Timor-Leste still exhibited the characteristics of a fragile state. The country had made solid progress in establishing institutions to safeguard public sector accountability, but their effectiveness was constrained by limited capacity and evolving legal mandates. The functioning of both the private and public sectors had improved during a period of development of government systems, with remaining constraints in staff qualifications and experience. The project’s alignment with the strategic objectives included developing capacity to implement a coherent national development strategy and strengthening the human development outcomes and service delivery results in Timor-Leste to more widely share the benefits of Timor-Leste’s oil and gas wealth. These were consistent with the Bank’s strategic objectives as included in the Interim Strategy Note 2009-2010, and draft Country Partnership Strategy (CPS)¹, which focused (among other things) on strengthening the capacity of public sector institutions to deliver better and more transparent education services.

2. **Sectoral context.** Human development outcomes for Timorese in both health and education remained among the weakest in the East Asia Pacific region, and population growth was still high (net total fertility rate of 5.7 in 2009/10). Nevertheless, change and growth in the education sector had been significant since independence in 2002. Net enrollment rate in primary education had increased from 68 percent to more than 90 percent from 2004/05 to 2011. There were rapid reductions in grade-to-grade dropout from 11-12 percent in 2008-09 to 3-4 percent in 2010. As identified in key sector diagnostics such as the Early Grade Reading Assessment (EGRA) and the National Education Strategic Plan (NESP) 2011-2030 itself, the sector continued to face major challenges in the quality and efficiency of education, including continued high levels of repetition particularly in early grades.

¹ The draft CPS was approved by the World Bank Board of Directors February 19, 2013. The CPS 2013-2017 is fully aligned with the Government’s Strategic Development Plan 2011-2030 which is built around four pillars, the first of which is social capital, which is comprised of health, education and social protection and aims to improve human development outcomes, create a labor force with marketable skills, and protect the vulnerable. In Education, the CPS focuses of investing in education services that are underpinned by leveraging knowledge to strengthen the capacity of the public sector institutions so that they can contribute to better and more transparent service delivery.

3. After launching the draft NESP 2011-2030 in November 2010, Timor-Leste established the Ministry of Education (MoE) in 2011, a new Ministry organizational structure aligned with the NESP and recruited a new management team to oversee its implementation. NESP was organized into seven education reform priority programs, five management strengthening priority programs and one priority program aimed at improving donor coordination. Recognizing key human resource and management challenges in implementing the NESP, the MoE prioritized: (i) the recruitment of qualified staff; the development of a 2012 Management Strengthening Action Framework (MSAF); (ii) the development of a Public Financial Management (PFM) Strengthening Plan; (iii) the alignment of partner support; and (iv) the introduction of a management by results system.

4. At the country level, the NESP 2011-2030 emphasized an infrastructure-led development strategy but with an important role for human capital development. A Human Capital Fund had been established to help meet the human capital needs of the NESP achievement. Priorities were set out for the education sector, to which the NESP is fully aligned. The Ministry of Finance (MoF) had indicated that additional domestic resources could be available for the education sector, provided that progress was made on the competent management of government resources for education and improved delivery on key initiatives supported by the government. The MoE had identified the need to strengthen its management to deliver the results of these initiatives within the NESP framework.

5. On the overall public financing of education, education spending had remained constant at 2 percent of gross domestic product (GDP). However, the total amount of education spending was increasing given the fast pace of GDP growth. The growing national resource envelope continued to support the expansion of the education sector. With the average year-to-year enrollment growth at basic and secondary education at around 9-10 percent per annum during the same period, public expenditure in education increased faster than the enrollment expansion. It was estimated that per student public spending was about US\$120² in 2006/07, rising to around US\$190 in 2010.

1.2 Original Project Development Objectives (PDO) and Key Indicators

6. The project development objective was to support the implementation of the NESP through strengthening the capacity and systems of the MoE. The key outcome indicator was: improved rating of sector management capacity assessment. This indicator was to be measured by an independent assessment of the MoE.

1.3 Revised PDO (as approved by original approving authority) and Key Indicators, and reasons/justification

7. The PDO was not modified nor were the key indicators modified over the life of the project.

² Including tertiary students.

1.4 Main Beneficiaries

8. The direct beneficiaries of the project were the 415 staff (26.3 percent female) of the MoE, particularly the targeted directorates³ which were: (i) offices of the minister and vice minister; (ii) Office of the Director General of Corporate Services; (iii) National Directorate of Planning, Finance, Administration and Logistics (which now also includes information technology); (iv) National Directorate of Procurement; (v) National Directorate of Human Resources; (vi) National Directorate of Basic Education; (vii) *Instituto Nacional de Formacao de Docentes e Profissionais da Educacao* (INFORDEPE) the training arm of the MoE; (viii) district directorates (13); and (ix) basic education cluster schools management teams (202). In addition, approximately 3,700 (38 percent female) Grade 1 and 2 teachers benefitted from the project through the training and introduction of new curriculum that was supported by technical assistance through the National Directorate of Basic Education.

1.5 Original Components

9. **Component 1: Strengthening Targeted Management Directorates (US\$1,812,000).** This component provided technical assistance to strengthen: (i) senior management capacity in terms of sector leadership, coordination, and oversight functions, which were aligned with NESP Priority Program 8: General Management Systems; (ii) the policy and planning capacity of targeted management directorates, which was aligned with Priority Program 2: Basic Education; and (iii) the development of training capacity of the ministry, including management to improve service delivery by focusing INFORDEPE.

10. **Component 2: Strengthening Public Financial Management and Evidence-based Planning Capacity, including Management Information Systems (US\$988,000).** This component provided technical assistance to targeted directorates that supported NESP Priority Program 12: Achieving Planning and Budget Excellence and Priority Program 11: Introducing Information Technology and Management Information Systems. The technical support focused on: (i) strengthened policy formulation processes and planning systems and capacity; (ii) high quality and transparent financial management systems; (iii) strengthened procurement and

³ The 13 targeted management directorates included in the PAD were: (i) offices of the minister and vice minister; (ii) Office of Strategic Advice and Modernization (GAEM);(iii) Office of the Director General of Corporate Services; (iv) Office of the Director General of School Management, Innovation and Curricular Development; (v) Legal Advisory Office; (vi) National Directorate of Finance and Logistics; (vii) National Directorate of Procurement; (viii) National Directorate of Planning, Statistics, and Information Technology; (ix) National Directorate of Human Resources; (x) National Directorate of Basic Education; (xi) INFORDEPE); (xii) district directorates (13); (xiii) basic education cluster schools management teams (202). During implementation the number was reduced to nine targeted management directorates which included: (i) offices of the minister and vice minister;(ii) Office of the Director General of Corporate Services; (iii) National Directorate of Planning, Finance, Logistics and Management (which now also includes information technology); (iv) National Directorate of Procurement; (v) National Directorate of Human Resources; (vi) National Directorate of Basic Education; (vii) INFORDEPE); (xiii) district directorates (13); (ix) basic education cluster schools management teams (202). During implementation there was a MoE reorganization and the number was reduced to nine targeted management directorates.

contract management functions; and (iv) monitoring and evaluation including the Education Management Information System (EMIS) and related systems.

1.6 Revised Components

11. The components were not revised over the life of the project.

1.7 Other significant changes

12. On September 3, 2014 the Bank notified the Government of Timor-Leste (GoTL) that there was a correction to the letter of effectives for the Global Partnership for Education (GPE)⁴ Grant Agreement. The original letter indicated that the effectiveness date was July 6, 2012. However, because there were no conditions of effectiveness the grant actually became effective on the date the agreement was countersigned, which was June 25, 2012.

13. On September 12, 2014, there was a restatement of the Disbursement Letter dated June 15, 2012 that changed the ceiling of the designated account (DA) to US\$500,000, as requested by the project implementation unit (PIU) on September 9, 2014.

14. The Ministry of Finance sent a letter on November 24, 2014 to the Bank requesting a restructuring of the project based on findings and recommendations from the June 2014 project mid-term review (MTR). The restructuring request included: (i) modifications to the results framework to reconfirm the PDO and introduce new indicators; (ii) introduction of procurement procedures in the project operations manual (POM) that followed both the GoTL and Bank procedures; (iii) introduction of criminal background checks for consultants; (iv) modification to the Grant Agreement language related to authorization of withdrawal applications; and (v) notification to the Bank that external audits, after 2014, would no longer be financed by MoF but rather the line ministries. There were lengthy discussions between the Bank and MoF related to the requested procurement modifications to the POM as well as the financing of the external audits. On February 6, 2015, there was a formal letter from MoF indicating that the requested procurement modifications would not be included in the POM. However, at that point, there were only five months remaining until the project closed. Given the limited time remaining for project implementation, the decision was made not to restructure the project.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry

15. **Project preparation.** The Management Strengthening Project (MSP) was prepared as a GPE-supported project and the Bank was the designated “supervising entity” for the project. The preparation team used the Sector Specific Investment Grant instrument given the targeted nature of program interventions. The preparation team included project activities based primarily on the extensive review and analysis conducted as part of the NESP 2011-2015 development. The

⁴ Formerly known as the Education for All-Fast Track Initiative (EFA-FTI).

NESP findings were articulated based on a thorough situational analysis of progress since the first National Development Plan (2002-2007) and the challenges that affected the ministry's ability to meet the country's Millennium Development Goals (MGDs) for 2015. Project preparation also benefited from working through the MoE systems and collaborating with UNICEF, which was designated as the GPE coordination agency for Timor-Leste. The preparation of the NESP and lessons learned from other projects all contributed to assisting the team in preparing and appraising the project in ten months to meet the GPE's timeline for its Board approval.

16. Project preparation was collaborative and benefitted from a deliberative process between MoE, donor partners and the Bank. The Bank preparation and appraisal teams consisted of technical experts that were appropriate for the development of the program. They included peer reviewers with knowledge and experience in implementing capacity strengthening project's as well as GPE projects and provided sound guidance on the project design.

17. **Project Design and Quality at Entry.** The project design was fully aligned with the government's NESP 2011-2030, which provided the platform for sectoral planning and financing, the GPE goals of meeting the 2015 MDG goals, and the Bank's Interim Strategy Note 2009-2010, as well as the draft CPS. The project design took into consideration comments from peer reviewers during the concept and appraisal review meetings which included: (i) simplifying the PDO; (ii) focusing the project on management strengthening rather than access due to the limited GPE indicative allocation, and limiting the project components to two; (iii) limiting the results indicators; and (iv) ensuring that the project limited the reliance on international consultants by increasing opportunities for national consultants. During October 2011, the proposed project was reviewed by the GPE External Quality Review (EQR), which provided additional guidance to the team on project design with particular focus on ensuring that there was a third party verification of the PDO indicator, which was included in the design. The design also used the Management Strengthening Actions Framework (MSAF) as the basis for the development of the terms of reference (TORs) for the advisers that were to be hired to assist in overall capacity development in the targeted directorates.

18. The project design included a three year implementation period which is the standard for GPE projects. In addition, the project was strictly a capacity development project and therefore, would only procure consultant services through a competitive and transparent process. Implementation responsibility for the project was mainstreamed within the targeted MoE directorates responsible for managing the consultants and capacity development activities. The inclusion of a project implementation unit (PIU) was strictly for coordinating activities and consolidating reports required for Bank reporting. This was the first time any donor-supported project had mainstreamed implementation activities within the MoE structure and responsible directorates. Mainstreaming is viewed as a highly relevant design feature because previous donor supported activities relied heavily on international consultants for implementation with little local capacity development. The risks associated with this new implementation modality were identified as high due to low capacity in the MoE and country. However, the Bank and MoE felt that responsibility for project implementation itself provided an important platform for capacity building and thus was the appropriate design for the GPE project and future projects. As

identified, the limited capacity did play a role in creating implementation delays that required substantial Bank supervision support during implementation.

19. The project development objective (PDO) was simple and narrowly focused as recommended by the peer reviewers and was in line with the NESP, MSAF and overall MoE priorities. The design team took the recommendations of the peer reviewers and developed a simple results framework. In addition, the team included a third party verification mechanism for the one PDO level indicator as recommended by the EQR. In retrospect, the design of the results framework, while simple, would have benefitted from having more than one PDO indicator. The project design was comprised of two main components that focused on strengthening management in targeted directors as well as strengthening public financial management, evidence-based planning and EMIS--all of which were appropriate.

2.2 Implementation

20. **Implementation context.** There were several exogenous factors that impacted project implementation. The exogenous factors that contributed were: (i) three ministers and one interim minister of education over the three year implementation period of June 25, 2012 to July 31, 2015; (ii) three new vice ministers were appointed in 2013; (iii) replacement of one director general; and (iv) replacement/appointment of two new director generals and some national directors, including vacancies that lasted approximately 10 months for two directorates. These changes and vacancies were mainly associated with presidential elections and new cabinet appointments. Moreover, the risks associated with mainstreaming implementation with limited capacity presented challenges for the project throughout implementation.

21. **Implementation details.** The project became effective in June 2012 and by June 2013 the project implementation was experiencing delays. This was due in large part to the fact that the Program of the 5th Constitutional Government (required after the August 2012 presidential election) was not finalized until October 2012. For the MoE, this program constituted the five-year action plan for implementation of the NESP, which provided essential guidance for MSP activities. Another factor that slowed implementation was the fact that the MoE Organic Law was only approved by the Council of Ministers in March 2013. Since the Organic Law establishes the organizational structure of the MoE, and the project was targeting directorates within the organizational structure, the selection of consultants was delayed. In addition, MSP funding needed to be aligned with the MoE domestic budget allocation for capacity building to be effective. However, the 2013 budget discussions did not start until November 2012 and was only available in April 2013. Despite these challenges, the MoE directorates did draft TORs for consultant positions so that they would be ready for advertising as soon as the Organic Law was approved. This process was to be competitive and transparent so as to attract the best professionals. To support this process, the Bank provided intensive training on interview skills and evaluation methods.

22. By mid-2013, full scale implementation had started with 7 of the 16 advisers in place and the expectation that the remaining positions would be filled by April 2014. Many of the remaining positions, particularly the national adviser positions, had to be re-advertised because of the limited pool of qualified candidates. At this time, the critical positions of project coordinator and M&E adviser had not been hired, which had a direct impact on the project's

inability to meet the legal covenants regarding preparation of an operations manual and establishing an M&E process. Without these positions in place, the MoE was also finding it difficult to report on project progress and, more specifically, progress toward achievement of both the PDO and intermediate indicators. As a result, progress toward achieving the PDO was downgraded to **moderately unsatisfactory**.

23. The May 2014 MTR confirmed that the PDO remained valid. Significant progress had also been made in terms of the outputs of the international and national advisers. The outputs at the time of the MTR included, but were not limited to the: (i) international legal adviser⁵ had helped produce several draft legal documents/decrees on the government's organic structure and teacher incentives; established the legal unit and its internal regulations; provided support throughout the hiring process of two national legal advisors (one financed through MSP, one through government funds); and provided continued legal advice to different departments within MoE; and (ii) national human resources (HR) adviser⁶ had drafted the HR manual to be applied in public administration human resources management matters, developed a circular on staff code of conduct; and conducted daily capacity building and weekly training activities; (iii) international budget and finance adviser⁷ had contributed to the 2014 budget planning exercise, supported the reconciliation of the 2014 annual action plan and budget plan, produced a draft situational analysis at the national level, and helped develop a budget execution database; (iv) international procurement adviser, with the support of national procurement advisors⁸ had drafted the Procurement Document Management and Administrative Manual, produced procurement plans for 2013 and 2014, developed contract and assessment forms, as well as relevant procurement reports, and carried out of capacity building and training activities; and (v) education data analysis and monitoring adviser⁹, had initiated activities related to the situational analysis and the baseline assessment of the MoE.

24. While the MTR confirmed the relevance of the PDO, it also noted that the project indicators needed adjustments due to difficulties in reporting data on all project indicators. In addition, given the changes in the government, it was not evident that the SEFI had been carried out which led to confusion as to whether or not the PDO indicator would be achieved. During the MTR, when the Bank team brought all parties together it was learned that the SEFI had been conducted with recommendations provided for improved performance. However, milestones for implementation were being missed and disbursements were approximately 38 percent—lagging behind the original projections. Based on these factors, the MTR mission recommended: (i) restructuring the project results framework to further define the PDO indicator and to adjust the intermediate indicator to more output oriented indicators and (ii) conducting more frequent supervision missions to help meet deadlines and accelerate implementation. As indicated above, discussions with the government regarding the restructuring caused considerable delays and in the end, it did not materialize.

⁵ Supported Priority Programs 2: Basic Education Reform” and 8 “General Management Reform

⁶ Supported Priority Program 8: General Management Reform. The project initially hired two national HR advisers however, one resigned and the decision was made not to replace that person.

⁷ Supported Priority Program 12: Achieve Planning and Budget Excellence

⁸ Supported Priority Program 12: Achieve Planning and Budget Excellence

⁹ Supported Priority Program 11: Introducing Information Technologies and Management Information Systems

25. Although the restructuring did not materialize, at the time of project closing, with the project coordinator¹⁰ finally in place in June 2014 and the advisers providing sustained support to the targeted directorates, the project experienced substantial achievements. The advisers had produced an extensive list of outputs thereby fulfilling the requirements of their TORs. (See Annex 2 for complete listing of outputs.) Moreover, each targeted directorate reported capacity improvements as a result of technical assistance provided by the advisers. Again, details can be found in Annex 2. More importantly, the MoE, with the project coordinator in place, was able to start gathering and reporting on data relevant to the project PDO and intermediate indicators as well as produce progress reports on implementation. This was achieved based on the institutionalization of technical coordination meetings that brought together national and international advisers as well as directorate staff to understand the project requirements and exchange information on project progress. In the end, definitions for the project intermediate indicators were understood and first SEFI had been administered to provide the baseline for the PDO indicator. Again, it should be noted that all of these positive results occurred within the context of the exogenous factors indicated above. Also, capacity constraints to accurately report on all indicator data made it difficult to document the full extent of achievements prior to project closing and the PDO rating remained “moderately unsatisfactory”.

26. There were six Bank review and implementation support mission from June 2012 through July 2015. The makeup of the Bank teams was consistently appropriate and well balanced with financial management, procurement, safeguards and implementation specialists as necessary. The task team leader during implementation was based in Jakarta, which allowed for frequent visits to Timor-Leste and regular interaction between the Bank, donor community and MoE. This also provided the needed continuity for implementation of the program and contributed significantly to the project’s completion. During the implementation, UNICEF, in its capacity as the Coordinating Agency of GPE in Timor-Leste, participated in three missions. In addition, project progress was presented to the Development Partners during quarterly meetings routinely organized by UNICEF beginning early 2014. These missions reviewed the progress of the program in relation to the NESP. The total project disbursements were approximately US\$2.54 million or approximately 91 percent of the total project funds of US\$2.8 million. On December 7, 2015, approximately US\$263,000 was cancelled and returned to the Bank.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

27. **Design.** The M&E design was simple and two-fold. The first aspect of M&E design was the monitoring and reporting of data related to the project results framework. The project coordinator was responsible for the coordination and reporting of data. Secondly, the project was to support the updating and upgrading of the EMIS system as well as the MoE’s ability to monitor, report and evaluate education data.

28. **Implementation and Utilization.** Reporting of data for the results framework indicators was a challenge throughout the project period. This was due, in large part, to the fact that the

¹⁰ It took two years to find a qualified national candidate to fill the project coordinator position.

M&E consultant was not in place until May 2014 and indicator definitions and data collection methodologies were not understood as mentioned above. Once the M&E consultant was hired in April 2014, work began on establishing the needed baseline data for the results framework. Moreover, once the project coordinator position was filled and there was the institutionalization of technical coordination meetings, data for the indicators was gathered and reported as required. As mentioned previously, capacity constraints slowed data collection and validation. However, by project closing, data for the project indicators were available, validated and used for analyzing achievement of the project development objectives during the Implementation Completion and Results (ICR) mission in October 2015. During the project period, the EMIS adviser worked with the EMIS unit to: (i) build a data warehouse that integrated three separate sets of EMIS data; (ii) develop a performance assessment framework (PAF) with indicators as well as wrote a manual covering standard definitions of the indicators; and (iii) produce a data analysis manual on how to produce key performance indicators and other information from the EMIS data. The adviser also introduced the Tableau¹¹ software which is used to aggregate data. The EMIS team, using this software, is now able to calculate indicators and respond to MoE requests for education statistics more quickly. The EMIS team has also been able to: (i) produce a 2012 Statistical Yearbook; (ii) produce a 2014 data book; and (iii) provide current education statistics for the MoE website.

2.4 Safeguard and Fiduciary Compliance

29. **Safeguards.** The project was rated a Category “C” operation, not requiring a separate assessment. There were no safeguard policies triggered for this project.

30. **Financial management.** Financial management remained **satisfactory** throughout the life of the project. This was due to the fact that the unaudited interim financial reports (IFRs) were submitted on time and the MoE was in general compliance with the financial covenants of the grant agreement. In addition, the project, for the first time, used the report-based method for disbursements, which is based on forecasting expenditures rather than replenishment. Although MoE experienced cash flow challenges because of their limited knowledge of the method, by project closing, there was a greater understanding which led to increased disbursements and stronger capacity to implement future projects using this disbursement method. To accommodate the limited knowledge of the report-based method and to ensure the efficient flow of project funds, the Bank team revised the Disbursement Letter dated June 15, 2012 and changed the ceiling of the designated account (DA) to US\$500,000, as requested by the PIU on September 9, 2014. The 2013 audit was paid for by the MoF and submitted on time as required by the grant agreement. However, the MoF informed the Bank that going forward, the sector ministries would be responsible for funding all external audits. After considerable discussion between the Bank, MoF and MoE, it was agreed that the 2014 and 2015 project audits would be funded using MSP funds. Given the time it took to reach an agreement, the Bank approved the MoE request for an exception to the June 30, 2014 submission date and agreed to allow a single audit covering the period January 1, 2014 to November 30, 2015 (which included the 4 month grace period). Once

¹¹ Tableau is a visualization tools that can help one see and understand data.

the agreement was communicated to MoE, the auditor was quickly hired on a sole source basis and provided the audit on November 25, 2015 (ahead of schedule), which was unqualified.

31. **Procurement.** Procurement was consistently rated **moderately satisfactory**. All consultants were selected competitively through a rigorous, transparent Bank procurement process. In most cases there was a need to extend the contracts and these extensions were not processed in a timely fashion due to limited planning. This meant that consultants had to be extended/hired using single source justification, which was based on guidance from the Bank procurement team. The international and national consultants helped the National Directorate of Procurement: (i) improve transparency of public procurement and Bank projects by establishing and maintaining a procurement filing system, providing advanced notification to the market and equal opportunity to all bidders, publishing bidding results and contract awards, and establishing debriefing procedures; (ii) improve competitiveness using of open competitive procedures such as international competitive bidding (ICB) and national competitive bidding (NCB); and (iii) establish a complaint handling mechanism in accordance with the National Public Procurement Law that was described in a procurement and contract management manual. The enhanced procurement capacity of the MoE has been recognized by the government, and the MoE is now able to place and/or to manage contracts exceeding the accreditation limit of US\$1 million.

2.5 Post-completion Operation/Next Phase

32. The advisers provided each directorate with outputs that are being used to continue to strengthen the systems of the MoE. Moreover, institutional capacity has been developed in each targeted directorate to the extent that the: (i) MoE organic law now includes a new legal office where the national staff, mentored by the legal adviser, will continue to work on developing and drafting laws relevant to education policy; (ii) human resources directorate has centralized all MoE recruitment at the national level and has improved transparent HR policies and recruitment guidelines which are being used for internal recruitment of 95 MoE staff and secondary and vocational education principals in 12 municipalities; (iii) basic education directorate has a five year plan for implementing a pilot program in mother-tongue based-multilingual education, which is being continued beyond the project period with MoE resources as well as Department of Foreign Affairs and Trade (DFAT) through the United Nations Educational, Scientific and Cultural Organization (UNESCO); (iv) corporate service directorate has a national strategic sector advisor that continues to provide advice on strategic areas for reform such as policies on the national school feeding program as well as donor coordination; (v) budget and finance directorate has capacity to produce the MoE budget on time and to monitor annual expenditures more systematically; (vi) procurement directorate now relies less on consultants and can carry out routine procurement activities on their own, which is reflected in the fact that the government has authorized MoE to manage contracts exceeding the accreditation level of US\$1 million; and (vii) monitoring and evaluation team feels confident enough to, for the first time, present data to the minister and other MoE staff due to the increased knowledge supported by the technical adviser. (Annex 2 provides additional examples of improved institutional capacity.) In late 2015, the MoE, with support from the GPE, will begin updating the NESP. Once the NESP is updated, the MoE will begin the preparation of a follow-on GPE-supported project that will be developed using lessons learned from the implementation of the MSP. Details of the new project have not yet been defined.

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design and Implementation

33. **Relevance of Objectives.** The project development objective was **highly relevant** to the country's sectoral needs when the project was developed. The objectives fit into the government's NSDP 2011-2030, the NESP 2011-2030, and recognized the importance attributed to increased capacity and improved institutions articulated in the 2011 WDR on Conflict, Security and Development. The project objectives continue to fit into the FY2013-17 Country Partnership Strategy for Timor-Leste, which indicates that education will be enhanced through management strengthening.

34. **Relevance of Design.** The relevance of project design is judged to be **substantial**. The project design was appropriately aligned with the government's NESP 2011-2030, focusing on capacity development of the MoE directorates and associated priority programs. As indicated, mainstreaming of project implementation is viewed as a highly relevant design feature and associated risks were properly identified. The PDO was appropriate and the results framework was simple with indicators that could be used to measure progress toward achieving the PDO even though MoE had difficulties associated with reporting on the indicators. As mentioned earlier, in retrospect, the results framework would have more robust had there been additional PDO level indicators. The pairing of international and national consultants increased the opportunities for national capacity development. Moreover, the support in preparing manuals and streamlining procedures has contributed to some improved efficiency in several directorates.

35. **Relevance of Implementation.** The relevance of project implementation is judged to be **substantial**. As indicated above, the project implementation had many difficult challenges, both exogenous and endogenous. Despite the many challenges, the MoE units responsible for project implementation did complete the project activities with support from the advisers and the Bank supervision teams. Considering the challenges and the fact that this was the first project to be mainstreamed within the MoE, this was a substantial achievement. The difficulties in providing data for project indicators was consistently acknowledge by the Bank team in aide-mémoires and implementation status and results reports (ISRs), and the progress toward achieving the PDO was rated moderately unsatisfactory. This led the Bank team to work with the MoE on a restructuring of the results framework which, as reported, did not materialize. Although the MoE found it difficult to report on the project indicators, most of the problems seemed to be related to: (i) lack of a project coordinator resulting in limited overall project oversight; (ii) limited knowledge and shared understanding of the indicator definitions; and (iii) lack of a focal point needed for gathering and consolidating information. Once the project coordinator was in place, regular meetings were held which contributed to substantial improvement in overall reporting by project closing.

3.2 Achievement of Project Development Objectives

36. The project development objective was to support the implementation of the NESP through strengthening the capacity and systems of the MoE. This section evaluates the outcomes against the demonstrated improved capacity to implement the NESP, strengthened systems within MoE, PAD results framework and information acquired during the ICR mission that

provided a more robust understanding of the overall increased capacity within MoE. More details on overall outputs can be found in Annex 2.

37. **Implementation of the NESP through strengthened capacity.** As indicated above, the project supported implementation of the NESP with direct technical assistance being provided to implement the project's selected priority programs. Specific to the Priority Program 8: General Management Systems, the project targeted offices of the minister and vice minister by providing technical support to the development and implementation of an adequate legal framework to implement and adapt the NESP. The international legal adviser provided mentoring and coaching to the national legal adviser to the extent that the national staff have shown increased capacity in independently drafting and reviewing legal texts. Moreover, the national advisors are now able to provide legal training for MoE civil servants with legal background as well as provided continuous explanations on the current legal framework to the new MoE officials. This includes explanation on the MoE's organizational structure (organic law) and the amendment to the National Institute for Training of Teachers and Education Professionals (INFORDEPE). In addition, the HR directorate has centralized hiring and is now using new manuals and procedures developed through the project to hire 95 internal staff positions as well as recruit 12 secondary and vocational education principals at the municipal level.

38. The project supported the NESP Prior Program 2: Basic Education by providing technical support to the basic education cluster schools (*Escolas Basicas*) which produced a: (i) school grants manual; (ii) school feeding program manual; and (iii) parent-teacher association (PTA) manuals which are all being used at the school level along with the needed training to use the manuals. Moreover, support was provided for the mother tongue-based multilingual education pilot program (MTBME). This support was showing enough progress that the program would be continued for an additional two to three years. During this period, the MoE will continue the services of the MSP consultant and will incorporate an assessment to measure the impact of the MTBME program. Support for the NESP Priority Program 7: Improving Teaching Quality was given to INFORDEPE. The project provided technical support to assist the director for basic education and vice-president of INFORDEPE for in-service training on the implementation of capacity development and improving impact of training. One outcome of this technical support was the establishment of a Technical Working Group needed to improve the preparation and coordination among different directorates and/or departments, which helped to speed up the implementation of training and introduced monitoring of the impact of all planned trainings. Annex 2 provides a detailed list of the outputs, outcomes and improved capacity within the targeted directorates.

39. The PDO level indicator that was selected to measure strengthened capacity was: improved rating of sector capacity assessment. The assessment adopted by the MoE was the government "Secretary of State for Institutional Strengthening" (SEFI) mechanism which was established in 2012 by the IV Constitutional Government. The secretary of state for institutional strengthening was responsible for administering the assessment and it was used to measure management capacity of institutions both state autonomous and government such as the MoE. The assessment was conducted in 2013 and took approximately 2-3 weeks to complete. Upon completion of the assessment, SEFI made many recommendations to the MoE for strengthening management capacity. Some of the recommendations that were directly related to the project

interventions were: (i) centralize all MoE recruitments to the national directorate of human resources; (ii) disseminate information to district directorates on approved budgets from parliament, and (iii) support EMIS staff and provide adequate equipment so as to improve performance. The progress that can be measured related to the assessment recommendations in these areas is: (i) human resources recruitment has been centralized in the HR directorate; (ii) approved budget information has been, and continues to be, disseminated to all directorates and municipalities through workshops and provision of budget documentations; and (iii) EMIS staff have been trained and capacity development has been documented throughout the ICR report. A second SEFI was to be conducted in early 2015, however, there were changes in the GoTL Cabinet in early 2015, and as a result, the SEFI assessment was postponed to 2016. Nevertheless, MoE, with the support of National Strategic Adviser, has carried out an evaluation of capacity improvement measuring improved execution of annual action plans (AAPs) and reports have been produced and made publically available every financial year.

40. **Implementation of the NESP through strengthening systems of the MoE.** To support the NESP Priority Program 12: Achieving Planning and Budget Excellence the project provided technical assistance related to financial management, procurement, and monitoring and evaluation of NESP using the management information systems (MIS). The intermediate outcome indicators selected were: (i) improvement in performance by targeted management directors and key staff against AAP and budget plans and relevant NESP priority programs¹²; (ii) the average deviation (in percentage) of budget execution from original budget across all MoE national directorates; (iii) budget execution measured in cash basis; and (iv) presence of transparency, competition and complaints mechanisms in procurement.

41. The targeted directorates improved their performance from the baseline of 50 percent to 97.7 percent missing the target of 100 percent. Although the target was missed by 2.3 percent, an increase of approximately 48 percent increase in improved performance during a period of political change in Timor, four ministers of education and slow release of budgets by the MoF, represents a substantial achievement.

Directorate	Percent Improvement by 2014
Offices of the Minister and Vice Ministers	92.7
Management Units (DGCS, Directorate of Planning, Finance, Logistics and Administration, Procurement, Human Resources)	105.8
National Directorate of Basic Education	94.5
INFORDEPE	93.1
District Directorates	88.6
Average	97.7

Source: <http://budgettransparency.gov.tl/publicTransparency>

42. During the project period, the percentage deviation of budget execution across all directorates improved from the baseline of 6 percent in 2012 to 4.9 percent in 2014 missing the

¹² The relevant NESP priority programs were defined as: (i) Priority Program 2: Basic Education Reform; (ii) Priority Program 7: Improving Teacher Quality; (iii) Priority Program 8: General Management Reform; (iv) Priority Program 10: De-concentration and Organizational Improvement; and (v) Priority Program 11: Introducing Information and Communication Technology and Management Information Systems.

target of 3 percent. However, the trend is very positive. Moreover, the percentage of directorates with equal or less than a 3 percent deviation was 7.7 percent in 2013 compared to 18.6 percent in 2014, which is a substantial improvement over a one year period. The budget execution measured on a cash basis increased from a baseline of 94 percent in 2012 to 95.5 percent, missing the target of 97 percent by 1.5 percent. Again, the percentage of directorates with equal to or more than 97 percent budget execution rate was 5.1 percent in 2013 and 9.3 percent in 2014. These improvements have occurred as a result of bi-monthly meetings that are organized by the National Directorate of Planning, Finance, Logistics and Administration and the capacity strengthening support by the different advisers. The inclusion of bi-monthly meeting to the organization of the directorate was supported by the technical assistance provided and has been institutionalized. In addition, the DGCS began implementing the findings of the SEFI recommendations to disseminate information to district directorates on the approved budget from Parliament which was done through workshops attended by all directorates including districts.

43. NESP implementation through strengthened systems was also measured through a target for ensuring the presence of transparency, competition and a complaints mechanisms within procurement, which was achieved. The highly positive aspects of achievement of this indicator can be seen in: (i) improved transparency, (ii) improve competitiveness; and (iii) establishment of a complaint handling mechanisms. The details related to these achievements have already been discussed above. The overall result of the improvements in the procurement process was that the percentage of competitively awarded contracts, in line with the procurement plan, increased from 32 percent in 2013 to 80 percent in 2015 that is above the target at 75 percent set for 2015; and percentage of contracts awarded within bid validity period has been significantly improved. The percentage for any competitive procedure exceeded the target at 90 percent established for 2015. Moreover, during the ICR mission, the team found that in 2014, the MoE's office supplies expenditure totaled US\$399,860. After applying a new procurement process introduced by one of the project's consultants, expenditure fell to US\$173,401 the year after. This represents a 57 percent cost reduction and a saving of US\$226,459. The total budget for the MoE in 2015 was US\$74,658,715¹³. Even with a modest estimate of cost savings of 5 percent of the MoE annual budget, the management strengthening initiatives yields savings equivalent to US\$3,732,935 in a single year.

3.3 Efficiency

44. The project demonstrates strong internal efficiency with over 91 percent of the US\$2.8 million project funds disbursed. Only 6 percent of funds were spent on operational and administrative costs – which is low by most standards – including those seen in previous projects in Timor Lest. Considering the reduced overall operating costs associated with this project and the fact that this was the first donor supported project to mainstream implementation, this indicates substantial efficiency.

3.4 Justification of Overall Outcome Rating

Rating: **Moderately Satisfactory**

¹³ Source: Ministry of Finance, Timor-Leste Budget Transparency Portal, Accessed 4 December 2015.

45. The overall outcome rating of the project is **moderately satisfactory**. The relevance of the PDO was **high**. The design, as indicated, was fully aligned with the NESP. However, of equal importance was how relevant the project design was to the 2011 WDR “Conflict, Security and Development” and the recognized need for capacity development and institutional strengthening to stabilize governments. In this regard, the project design was timely. The relevance of implementation was **substantial**. Although implementation faced many challenges, the project activities were implemented and there is documented capacity development from the implementation of these activities. It should also be noted that during the three year implementation period, anecdotal information shows that the MoE’s overall reliance on international consultants for daily operations has decreased substantially. While there is no direct attribution to the project, this is an overall positive trend. Efficacy is rated **moderately satisfactory**. The last project ISR rated the project moderately unsatisfactory because indicator data was not fully available and a full analysis of the project technical assistance could not be done until the project was completed. Upon completion of the project, final data was made available and the ICR mission learned of several additional achievements of the project. These included but are not limited to: (i) approval of the new organic law – a significant contribution of the MSP as it was drafted with supports from the MSP advisors. Two new units are now included in the MOE structure: the Legal Unit and National Planning and International Cooperation, as well as refocusing INFORDEPE to become in-service training institution (with new name: CENAFOP -- *Centro Nacional de Aperfeiçoamento de Pessoal para Formação*); and (ii) enhanced procurement capacity of the MoE, which has been recognized by the Government and the MoE is now able to place and/or to manage contracts exceeding the accreditation limit of US\$1 million. Moreover, the Prime Minister’s office is now using the MoE’s 2015 process for annual planning for training other line ministries in how best to develop their AAPs for 2016. (Again, Annex 2 has a detailed listing of outputs and outcomes.) As indicated above, there were challenges throughout implementation with data reporting. However, upon project completion, all the data was made available and the analysis of the technical assistance showed strong positive impact on directorate capacity development that have led to improvements in procurement, budget execution and financial management as well as annual planning. Finally, as indicated above, the program was implemented efficiently.

Table 1: Project rating

Project Relevance	Achievement of PDO (Efficacy)	Efficiency	Overall Rating
Substantial	Moderately Satisfactory	Substantial	Moderately Satisfactory

3.5 Overarching Themes, Other Outcomes and Impacts

(a) Poverty Impacts, Gender Aspects, and Social Development

Not applicable

(b) Institutional Change/Strengthening

46. The budget formulation, monitoring and execution improvements were directly supported by the project through the finance department technical adviser. In 2014, for the first time, the

budget formulation process for the MoE was a formal, participatory, transparent process led by the MoE directorates. Because of the formulation and implementation of a budget circular, signed by the minister of education, directorates were informed about budget ceilings and fiscal constraints. Based on this, directorates were able to cost their activities and defend their priorities during internal budget review committee meetings at director general level. As a result, budgets were better defined, there was improved ownership by directorates, and the MoE management related to budget priorities and monitoring was strengthened because the finance department was involved at the design and planning phase. The budget monitoring tools that were developed were appropriate tools (user-friendly with regular reports and tables), and were discussed during regular review meetings led by the minister and vice ministers and DGCS. These meetings were monthly briefings that were used to identify execution issues and reallocation options particularly related to the basic education reform and school materials. Moreover, all directorates received budget execution reports that were customized with technical support from the finance team to review needs, program progress and solve issues for execution. This approach has led to strengthening the ties between all directorates and the finance director.

47. Another achievement that has been institutionalized is the establishment of a forum identified as *Ação Conjunta para a Educação em Timor-Leste* (ACETL). This forum was established by the Ministry of Education with technical support from advisers including the National Education Sector Strategic Adviser. This forum brings together all national and sub-national directors and heads of departments including other stakeholders of education to communicate and share priorities identified in the NESP. This forum provides opportunities for relevant directorates and donor partners to communicate with each other and share resources to meet the priorities of the Ministry. The process of planning this event has played a substantial role in increasing directorate's capacity to elaborate AAP and budget plan for their own respective directorate.

(c) Other Unintended Outcomes and Impacts (positive or negative)

Not applicable

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

Not applicable

4. Assessment of Risk to Development Outcome

Rating: Substantial

48. The original project preparation identified the overall risk rating as **substantial**. The ratings can be summarized as: (i) high at the country level due to Timor-Leste being a post-conflict country subject to political instability and macroeconomic fragility; (ii) high at the MoE level due to low capacity and vulnerable to political forces on policy formulation occasional restructuring and consultant turnover; and (iii) overall moderate at the project level due to MoE budgeting of funds and financial management as it related to accounting, financial reporting and the external audit. As indicated above, the high risk associated with country level political change and the exogenous impacts on the project were correctly identified. At the project level, the risks were appropriately identified as substantial. Going forward, the overall risk at the country level is likely to be **substantial**. The Bank has worked with the government on a Fragility Assessment that will be used to inform program design in the future. At the MoE level,

the risk is also likely to be **substantial**. The MSP project has made a substantial contribution to capacity development within the MoE. However, given the overall low capacity levels at the beginning of the project, it will take more time to continue to increase and improve overall MoE capacity. It is expected that the next GPE project will continue to build capacity within the MoE.

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance

(a) Bank Performance in Ensuring Quality at Entry

Rating: Moderately Satisfactory

49. The project preparation team ensured that the project design supported all of the government strategic plans and the Bank's CPS and 2011 WDR. The design was informed by the GPE EQR and peer reviewers at both the Project Concept Note and appraisal stage of project preparation. As mentioned previously, the design: (i) was simple, focusing only on capacity development; (ii) had a simple and narrowly focused PDO; (iii) included indicators that could be measured, albeit difficult during the project period due to limited coordination and capacity, and (iv) mainstreamed implementation within the MoE in keeping with the project objective of building capacity. However, the design of the results framework could have been improved with the inclusion of additional PDO level indicators and clarifying indicator definition and data collection methodology early on to ensure a shared understanding. The preparation team also identified the appropriate project risks. The team worked with government and donors on the development of the project. However, with so many changes in ministers and ministry staff during the three years, there were considerable challenges associated with keeping MoE staff informed of the project goals, design and expected outcomes.

(b) Quality of Supervision

Rating: Satisfactory

50. There were six Bank review and implementation support missions, which included a mid-term review. The project team was actively engaged in supporting the government in its efforts to implement the project. The Bank team worked hard to keep the MoE focused on the project goals despite the many changes within the ministry. Whenever implementation challenges arose, the Bank team worked with government to find solutions that would not compromise the integrity of the design. The Bank team worked with the MoE to restructure the project but because of delays, the idea was abandoned and the team worked to find a solution to the external audit issue which was resolved. The supervision teams consistently reported on financial management and procurement progress during supervision missions and worked with the MoE teams to build their capacity in these areas. The team also systematically documented project progress in aide-memoires, back-to-office reports and ISRs, all of which kept Bank management informed of progress and provided the foundation for the ICR analysis.

(c) Justification of Rating for Overall Bank Performance

Rating: Moderately Satisfactory

51. Based on the implementation analysis above, overall Bank performance is rated **moderately satisfactory**

5.2 Borrower Performance

(a) Government Performance

Rating: Moderately Unsatisfactory

52. Overall government performance was uneven over the life of the project. During the project preparation, the government showed commitment to the project. However, with the presidential elections in 2012, there was frequent turn-over of ministers and staff in key positions throughout the project implementation. This led to early delays in defining the MoE structure which, in turn, led to delays in hiring advisers to support the directorates, thereby delaying overall implementation. In addition, the extended discussions with the MoF on payment for the external audit created the need for a routine extension which allowed the 2014 audit to be combined with the 2015 audit. It was also agreed that the MSP project would cover the costs. The project restructuring was also delayed due to prolonged discussions with MoF on inclusion of Timor-Leste procurement regulations in the project operations manual. In the end, the issues were resolved but because of the delays, the idea of restructuring was abandoned. Based on this, government performance is rated **moderately unsatisfactory**

(b) Implementing Agency or Agencies Performance

Rating: Moderately Satisfactory

53. The MoE directorates, with implementation coordination from the DG-CS, were ultimately able to implement the project. All of the directorates: (i) contracted the needed advisers albeit with difficulty that resulted in a reduced period of time for each consultant to perform their required terms of reference activities; (ii) received the expected outputs; (iii) benefited from the training and capacity development project by the advisers; and (iv) reported some efficiency gains in their daily operations as a result of improved processes. Given that this was the MoE's first donor-supported project to mainstream project implementation, this is judged to be a substantial achievement. There was strong ownership at all levels of MoE, and the project supported directorates all used the technical assistance provided to improve capacity. Based on these aspects, and the analysis in other section of the ICR, the implementation agency performance is rated **moderately satisfactory**.

(c) Justification of Rating for Overall Borrower Performance

Rating: Moderately Satisfactory

54. The overall borrower performance is rated **moderately satisfactory**. This is because more weight is being given to the implementation accomplishments. As stated previously, considering the low level of capacity within MoE prior to project implementation and the ultimate achievements, taking into consideration mainstreaming implementation, the accomplishments are substantial and therefore, warrant more consideration in the overall rating.

6. Lessons Learned

55. **Lesson 1. Increasing local capacity in post conflict countries is an essential element to building strong institutions.** The MSP project played an important role in building capacity in all MoE directorates through the project design that paired international consultants with local teams. Upon completion of the project, local staff and teams now exhibit increased confidence to plan, design and implement their own activities. This is particularly evident in budget and financial management, procurement, human resources, and ability to write laws for the education legal framework.

56. **Lesson 2. Mainstreaming implementation within government agencies requires ongoing capacity building.** Each directorate, supported by the project, was responsible for defining their own technical assistance needs as well as managing the consultants which led to increased ownership and relevant outputs. This also led to substantial skills upgrading within all the MoE directorates. The horizontal cooperation between directorates within MoE has also improved particularly as it relates to budget and finance activities. The MoE continues to strengthen the capacity of directorates as well as improve the horizontal cooperation at all levels. Mainstreaming of project management has been institutionalized within MoE and it is expected that the implementation method used in the MSP project will continue under any new GPE or Bank supported projects.

57. **Lesson 3. Task team leaders based in close proximity to post-conflict countries is essential for ensuring the implementation of projects.** The assignment of a task team leader based in Jakarta allowed for frequent visits to Timor-Leste so that problems could be resolved quickly. The presence of the Task Team Leader (TTL) in Jakarta provided invaluable support and monitoring of project implementation. Experience with other Bank-supported project in post-conflict countries has shown that having the TTL nearby and/or in-country with quick accessibility is critical for ensuring timely project implementation.

58. **Lesson 4. Facilitating the measuring of project progress requires more than one PDO level indicator.** The MSP project would have benefited from the inclusion of additional PDO level indicators that could have captured the level of improved capacity identified during the ICR mission. As noted earlier, ensuring that indicator definition and data collection methodology has been recorded can also safeguard against staff turn-over or institutional changes.

7. Comments on Issues Raised by Grantee/Implementing Agencies/Donors

(a) Grantee/Implementing agencies

See Annex 7

(b) Cofinanciers/Donors

Not applicable

(c) Other partners and stakeholders

Not applicable

Annex 1. Project Costs and Financing

(a) Project Cost by Component (in USD Million equivalent)

Components	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
Component 1 : Strengthening Targeted Management Directorates	1.81	1.01	56.47
Component 2 : Strengthening Public Financial Management and Evidence-based Planning Capacity, including MIS	0.99	1.51	153.26
Total Baseline Cost	2.80	2.54	90.62
Physical Contingencies	0.00	0.00	0.00
Price Contingencies	0.00	0.00	0.00
Total Project Costs	2.80	2.54	90.62

(b) Financing

Source of Funds	Type of Cofinancing	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
Trust Fund (GPE)		2.80	2.54	90.62
Total		2.80	2.54	90.62

Annex 2. Outputs by Component

Component 1: Strengthening Targeted Management Directorates (US\$1,812,000)

59. Overall this component aimed to strengthening senior and general management systems in targeted management directorates to ensure the implementation of the NESP. This component supported the NESP priority program 8: General Management Systems by providing technical assistance to the: (i) minister and vice ministers offices on development of a legal framework to implement and adapt the NESP; (ii) National Directorate of Human Resources on recruitment processes that would help the directorate lead development in the strengthening the MoE overall capacity; (iii) National Directorate for Basic Education to support the 202 basic education cluster schools (Escolas Basicas) management teams to develop the four school standards pillars of quality school governance, positive school environment, effective school management, and quality learning outcomes that had been articulated in the draft schools national quality standards framework; (iv) *Instituto Nacional de Formacao de Docentes e Profissionais da Educacao* (INFORDEPE) to ensure that INFORDEPE was informed of the extent of resources, facilities, equipment, and capacity available and required to fulfil its training mandate and to enhance its capacity to identify its own needs in the future; and (v) Office of the Director-General of Corporate Services (DG-CS) to strengthen internal coordination among the MOE units in the planning, implementation and evaluation of the NESP and with development partners and stakeholders as well as provide management support for the MSP.

60. The intermediate indicator that was selected to measure component progress was improvement in performance by targeted management directors and key staff against annual action plans (AAP) and budget plans and relevant NESP priority programs. The targeted management directorates under DG-CS improved their performance from the baseline of 50 percent to 97.7 percent thereby missing the target of 100 percent. Although the target was missed, an increase of approximately 48 percent in improved performance during a period of political change in Timor, four ministers of education and slow release of budgets by the MOF, represents a substantial achievement.

61. **Office of the Minister and Vice Minister.** The project targeted offices of the minister and the vice minister by providing technical support to the development and implementation of an adequate legal framework to implement and adapt the NESP. The international legal adviser provided mentoring and coaching to the national legal adviser to the extent that the national staff have shown increased capacity in independently drafting and reviewing legal texts. Moreover, the national advisors are now able to provide legal training for MoE civil servants with legal background as well as provided continuous explanations on the current legal framework to the new MoE officials. This includes explanation on the MoE's organizational structure (organic law) in force and its amendment being proposed, the amendment to the National Institute for Training of Teachers and Education Professionals (INFORDEPE) organic (see details below).

Box 1. Legal Framework Advisers Outputs

- Developed a twelve month work plan focusing on establishment of a legal services unit, internal regulations were drafted, the national adviser was mentored and permanent staff were mentored by the international and national advisors, dissemination laws and drafting the proposal to support the continuation of training of Portuguese language and legal terminology for national adviser and permanent staff.
- Provided capacity building on a one-to-one basis as well as in three group workshops that were held in July 2015.
- The international adviser assisted in the recruitment of the national legal staff assigned to the directorate of finance and human resources as well as the recruitment of a national legal adviser.
- Advisers assisted amending the MoE Organic law¹⁴ which has been approved and will be effective in January 2016. One important aspect of the amended Organic Law is the inclusion of a Legal Office in the MoE structure which will provide the needed focus on continuing the development of the overall MoE legal framework.
- Advisers provided monthly progress reports as required by the TOR.

62. **National Directorate of Human Resources.** The project targeted the human resources directorate by providing technical support to: (i) prepare a work program for recruitment process for personnel in the education sector; (ii) support the implementation of the recruitment plan and schedule for all vacancies; (iii) provide advice and guidance in the execution of merit-based recruitment processes; (iv) strengthening the capacity of the recruitment team to carry out recruitment/selection processes. This was to be done through the: (i) preparation of an HR manual; (ii) induction kit for new appointees in the MoE; (iii) plans for socialization; (iv) training analysis; and (v) proposals and budgeting;. The technical assistance was also expected to build capacity of HR staff, provide monthly updates/reports and produce a final report that included recommendations for continuation of HR support. The project was to provide support for two national HR consultants. During implementation, the project was only able to contract one HR consultant that was able to complete the expected outputs for the HR directorate. The HR director reported that with the new manuals and procedures in place, the HR directorate is using them to hire 95 internal staff positions as well as to recruit 12 secondary and vocational education principals at the municipal level.

Box 2. Human Resources Advisers Outputs

- The consultant produced an **HR Manual** that included: (i) finalization, approval and implementation, of teachers performance evaluation; (ii) procedures on annual leave; (iii) guidelines for recruitment/selection and contract management of advisers and Consultant were drafted together with relevant templates such as the recruitment proposal, the request for contract extension and the performance evaluation form; (iv) standard operating procedures (SOP) for request and recommendation on cancelation or reactivation of salary and disciplinary actions for civil servants at the MoE approved by the DGSC and conveyed to the Secretariat of Civil Service Commission (SCSC); (v) a circular on the staff standard code of conduct which covers detailed

¹⁴ The Organic Law is represents the organizational structure of the MoE along with the definitions and mandates of each unit within the MoE.

descriptions of codes for presence and behavior in the office; and (vi) a comprehensive log-book to log daily activities of DNRH staff was designed and approved by Director.

- Templates for recruitment, contract extension and performance evaluation for advisers and agents of public administration were developed, approved and circulated to all MoE directorates.
- Capacity building for DNRH staff through daily mentoring and coaching with introduction of work deadline; introduction of the maximum 3-day-turnaround-time in completing an assigned task; introduction of constant progress update in the forms of verbal and written reports; regular meetings (weekly for group coordinators and monthly for all staff); introduction of delegation of tasks by group coordinators to group members through written instructions; and staff were taught to conduct in-depth and broader analysis of a subject matter in order to complete a task.

63. **National Directorate of Basic Education.** The project targeted the basic education directorate by providing technical support to: (i) support the basic education cluster schools (*Escolas Basicas*) to develop, from the school level, the four school standards pillars of quality school governance; positive school environment; effective school management and quality learning outcomes that are articulated in the draft schools national quality standards framework; (ii) support the mother tongue-based multilingual education pilot program (MTBME); and the INFORDEPE to support the achievement of NESP Priority Program 7: Improving Teaching Quality.

a. School Administration Advisor. The support for the *Escolas Basicas* was to develop an implementation plan that included school management policies and procedures manuals. The priority in the plan was to be given to strengthening systems, targets, deadlines and accountability mechanisms. Also the technical support was to be provided for the development of the *Escola Basica* training modules and materials. The MoE developed detail terms of reference for a school administration advisor, to support of the *Escola Basica* however, MoE was unable to find a consultant to fill the defined criteria until four months prior to the project closing. At that time, the MoE revised the TOR for the consultant and reduced the tasks to develop a : (i) school grants manual; (ii) school feeding program manual; and (iii) parent-teacher association (PTA) manual.

b. Mother Tongue Advisor. The project supported two consultants that provided technical assistance to the National Coordinator of the MTBME. Moreover, the MoE decided that the MTBME was showing enough progress that the program would be continued for an additional two to three years. During this period, the MoE will continue the services of the MSP consultant and will incorporate an impact assessment to measure the impact of the MTBME program.

Box 3. Mother Tongue Adviser Outputs

- A language mapping was completed and submitted to MoE through directorate General of Pre-School and Basic Education.
- Five year strategic plan was developed and submitted.
- Developed a Preschool A and B curriculum with daily lesson plans for 36 weeks. A pre-primer (readiness for literacy skills) of 70 pages for preschool B was also developed.
- Developed draft curriculum for grade 1.
- Developed Primer texts (learning to read and write materials) in 3 mother tongues with native

speakers. The primers range from 26-32 lessons. Developed a Primer workbook in each language that goes along with the Primer.

- Trained 176 teachers on new methodologies and improved internal communication by promoting use of drop box, shared folders, shared calendar, etc.
- Developed a pre-school pre-primer in draft. Learning materials have been developed and piloted in the 10 pilot schools targeted for 2014.
- More than 100 teachers of preschool A and B, grade 1 and 2 were trained on learning methodology and teaching strategies and use of materials using funds from other resources.
- There were more than 5 training sessions provided to teachers of preschool A and B, grade 1 and grade 2. Each time the adviser visited the districts, there was training session provided to teachers on learning methodologies, teaching strategies and use of materials. There is on-going monitoring and evaluation of the teachers each time the adviser visits the classrooms in the districts.
- Developed training materials and lessons that are available to use for training. Existing materials were reviewed, revised/redone. Necessary printing of reviewed materials undertaken to use again.
- M&E tools focused on teacher's performance and learning outcomes were developed and piloted. Those have been translated into Tetum and being tested in the districts.

c. National Institute for Professional Educators Training (INFORDEPE). The project design recognized that support for directorate would be limited because the MSP did not have the resources to fully support strengthening the management and service delivery of INFORDEPE. Therefore, the project targeted the INFORDEPE by providing technical support to assist the director for basic education and vice-president of INFORDEPE for in-service training with advice on the implementation of a capacity development program and improving impact of training.

Box 4. INFORDEPE Adviser Outputs

- Contributed to the establishment of a Technical Working Group needed to improve the preparation, the coordination among different directorates and/or departments and that helped to speed up the implementation of training and introduced monitoring of the impact of all planned training. This included Directorate of Basic Education, Pre-School, Curriculum, Directorate General of Primary and Basic Education (PE-BE) and INFORDEPE.
- Socialization and training was implemented in 13 districts which involved pre-school and basic education and INFORDEPE in various coordination meetings.
- Provided support and helped coordinate with basic education, MoE Finance Department, and Gabinete of Vice Ministra of PE-BE in the budget preparation proposals prior to the training which included support on clarifications related to teacher data and problem solving related to payment for training.
- Pre-school and basic education curriculum revision piloted in 8 districts.
- Helped conduct ESKOLA FOUN (child centered learning) training that covered all pre-schools and basic education schools throughout 13 districts in Timor-Leste. This included two times of facilitators orientation, two times of ToT and two times of school based trainings was delivered.
- Organized training in pedagogy related to the new grade 1 and 2 curriculum for 38 INFORDEPE trainers.
- Assisted in the development of a monitoring tool for pre-school and basic education (Grade 1 and 2) that is being used by national facilitators and trainers.
- Facilitated the preparation of the teaching and learning materials as well as their distribution to school clusters.

64. **Office of the Director General of Corporate Services (DG-CS).** The project targeted the DG-CS by providing technical support for: (i) planning and implementation of the NESP priority programs; (ii) management reform; (iii) monitoring, evaluation and reporting; and (iv) coordination of education stakeholders. The DG-CS hired a national strategic sector advisor to assist in building capacity in these areas. Upon completion of the project, the national adviser remains with the office of the DG-CS providing ongoing support for the DG-CS as well as supporting the MoE in their effort to get approval of the education organic. (See Box 5 for detailed outputs.)

65. The DG-CS office was also responsible for the executive management of project activities as well as overall project coordination. This was the first project in Timor-Leste that mainstreamed project management directly into the MoE directorates and gave individual directorate's day-to day responsibility for the project activities related to their directorates. To support the overall project coordination responsibilities, the DG-CS received technical support from a national project management coordinator who was to help in project coordination, reporting and monitoring. Upon completion of the project the DG-CS will retain the services of the technical advisor to assist with the implementation of the Bank-supported Second Chance Education Project (SCEP). (See Box 6 below for detailed list of outputs.)

Box 5: National Strategic Sector Adviser Outputs

National Strategic Sector Advisor TOR. The adviser performed all the duties as defined in the TOR. Examples are: (i) a five year plan 2012-2017 was completed for MoE. Using the five year plan, an annual action plan for 2014 was developed as well as one for 2015. Both were developed in a participatory manner and approved and commended by the prime minister's office; (ii) contributed to the elaboration of the Procurement Manual that was drafted by the international procurement adviser; (iii) began development, with key Ministry advisers and the Chief of Planning Department, of the Standard Operational Procedure which describe the Monitoring Evaluation and reporting government standard of the annual plans; (iv) actively participated in the development of the draft of the revision of the current organic law of the MoE and also of the organic law of the INFORDEPE; (v) supported the MoE's media officer in publishing regular news and press releases at the national newspapers and MoE's official website; (vi) promoted the training of the MoE corporate services staff on the development of their professional skills at a specialized training center in Malaysia and Indonesia; and (vii) supported the quarterly technical meetings between MoE and development partners. The adviser also represented the Timor-Leste at the GPE board meeting.

Box 6. National Project Management Coordinator Outputs

Project Management Coordinator TOR. (i) annual work plans for the coordination of MSP to be shared with the Minister, VMs and DGs and upon their approval with the WB; (ii) quarterly and annual narrative/technical reports and financial reports collected from consultants/national directors and consolidated against expected outputs and agreed reporting frameworks for MSP and SCEP; (iii) demonstrable skills transfer in management and leadership to national and district managing staff; (iv) monthly technical coordination meetings for all consultants in MSP and SCEP; (v) monthly management coordination meetings involving all national and district directors for all three projects; (vi) executive meetings organized professionally in accordance with project management structure and on demand from the Minister, VMs and DGs; (vii) completion meeting minutes produced timely on agreed decisions; and (viii) end of project reporting for WB supported projects.

Outputs. The project management coordinator performed all the duties outlined in the TOR listed

above as required for implementation of Bank projects and as mentioned above, the adviser has been continued because of the good quality of work.

Component 2: Strengthening Targeted Management Directorates (US\$988,000)

66. Overall this component aimed to support the NESP Priority Program 12: Achieving Planning and Budget Excellence by supporting technical assistance related to financial management, procurement, and monitoring and evaluation of NESP using the management information systems (MIS). The strategic directorates selected to focus on under this component were the Office of Strategic Advice and Modernization (GAEM); National Directorate of Planning, Finance, Logistics and Administration (which includes information technology)¹⁵; and the National Directorate for Procurement. The MoE reorganized after the development of the project and the GAEM was eliminated from the MoE structure. The project functions associated with the GAEM were transferred to the DG-CS and the national strategic adviser. Under the National Directorate of Planning, Finance, Logistics and Administration (DNPFAL) the project focused on: (i) technical support for quality and transparent FM systems; and (ii) support for monitoring and evaluation and the education management information system.

67. The intermediate indicators that were selected to measure component progress are: (i) the average deviation (in percentage) of budget execution from original budget across all MoE national directorates; (ii) budget execution measured in cash basis; and (iii) presence of transparency, competition and complaints mechanisms in procurement.

68. During the project period the percentage deviation of budget execution across all directorates improved from the baseline of 6 percent in 2012 to 4.9 percent in 2014 missing the target of 3 percent. However, the trend is very positive. Moreover, the percentage of directorates with equal or less than a 3 percent deviation was 7.7 percent in 2013 compared to 18.6 percent in 2014 which is substantial improved in one year period. The budget execution measured on a cash basis increased from a baseline of 94 percent in 2012 to 95.3 percent missing the target of 97 percent by 1.7 percent. Again, the percentage of directorates with equal to or more than 97 percent budget execution rate was 5.1 percent in 2013 and 9.3 percent in 2014. These improvements have occurred as a result of bi-monthly meetings that are organized by the National Directorate of Planning, Finance, Logistics and Administration. This modification to the organization of the directorate was supported by the technical assistance provided and has been institutionalized.

69. The target for ensuring the presence of transparency, competition and a complaints mechanisms within procurement has been achieved. The highly positive aspects of achievement of this indicator are that the MoE, through the National Procurement Directorate, has: (i) improved transparency of public procurement as characterized by establishing and maintaining, a

¹⁵ The current national directorate was formerly two directorate that were combined. The previous directorates were: National Directorate of Finance and Logistics and National Directorate of Planning, Statistics, and Information Technology.

systematic procurement filing system, providing advance notification to the market of procurement activity, providing equal opportunities for all bidders, publication of bidding results and contract awards, and establishing debriefing procedures; (ii) improved competitiveness by the use of open competitive procedures such as International Competitive Bidding (ICB) and National Competitive Bidding (NCB); and (iii) established a complaint handling mechanism in accordance with the National Public Procurement Law and the process was incorporated and described in the Procurement and Contract Management Manual. There was one complaint lodged in 2013 which was timely reviewed. The overall result of the improvements in the procurement process was that the percentage of competitively awarded contracts, in line with the procurement plan, increased from 32 percent in 2013 to 80 percent in 2015 that is above the target at 75 percent set for 2015; and percentage of contracts awarded within bid validity period has been significantly improved. The percentage for any competitive procedure exceeded the target at 90 percent established for 2015.

70. **Financial Management Systems.** International technical support was to assist with support for, and implementation of, the PFM Reform Matrix with active MoF and partner participation. This included priority areas such as financial management capacity at all levels, strengthened budget development process, more accurate financial management reporting and information flows, strengthened financial systems and strengthened ability to cost programs and operate and update cost and expenditure forecasting and modeling tools. This activity was of important in supporting the ministry's efforts to improve the efficiency of expenditure of education finance from both government and development partner sources. The national advisers were to provide direct support for the financial management requirements for the MSP.

71. The international financial management adviser spent two years working with the directorate. The overall achievements of the capacity development related to financial management can be seen in the improved budget execution levels indicated above. While the project targets were missed, the trend is very positive. Moreover, the director general reported that much of the achievement can be attributed to the support of the adviser—particularly as it relates to improved overall MoE budget planning and monitoring through the institutionalization of bi-monthly meetings to review the plans and budget execution. Additional achievements were: (i) the introduction of the detailed activity plan template by MoF in January 2015 that was completed by the financial management adviser; (ii) capacity was transferred to the DNPFFAL budget focal points to deliver a budget based on costing of the national directorates' budget proposals. This was part of 2016 budget submission package; (iii) risk assessment and risk-based recommendations have been integrated to the FM processes and included in the draft FM manual defining MoE FM standard operating procedures.

Box 7. Financial Management International Advisor Outputs

The adviser performed all the duties as defined in the TOR and the DNPFFAL continues contact with the adviser even after the closing of MSP. During the implementation period, the adviser: (i) completed of a situation analysis; (ii) supported the preparation of a national capacity building plan for financial management, including timeframes, learning outcomes, resource requirements, the training/organization methodologies, logical framework with indicators that are aligned and consistent with the Performance Assessment Framework (PAF) required for the monitoring of National Education Strategic Plan (NESP) implementation and MSP results framework; (iii) conducted training activities—the last one was on asset management. The adviser worked with the national logistics adviser (funded

by DNPFFAL) to deliver training and preliminary capacity-building activities to the logistics department and all logistics focal points at municipal level. The plan was completed with the logistics department and the relevant MoF directorate (*Patrimonio do Estado*) in December 2014 and May 2015. Further activities are planned with MoF such as certified assets management training for technical staff, appointment of logistics focal points, etc; (iv) the socialization and validation of the financial management (FM) draft manual with all MoE finance focal points which funded by DNPFFAL; (v) the preparation of the budget paper in Portuguese (language not familiar to young finance staff) will be further supported by a national adviser that was hired in July 2015; (vi) planning tools, costing including the budget circular have been produced and socialized and (vii) a legal framework for the signature of the contracts was prepared along with all the budget projections at each school level in order to sign agreements and prepare the financial conditions for the payment of the public interventions according to existing regulations (status, bank account, etc.).

Box 8. Financial Management National Advisers Outputs (two position)

The two national advisers were to provide support for the implementation of the MSP and ensure that the project was in compliance with the project financial management requirements. They fulfilled the requirements of their TORs as follows: (i) established working procedures based on division of tasks for staff in the Financial Management Unit that is dealing with WB supported projects; (ii) produced quarterly financial reports (iii) consolidated and reconciled bank statements and advances were based on the quarterly IFR's; (iv) fixed assets and inventory registers were submitted to auditors each fiscal year; (v) made payments to consultant accounts based on appropriate documentation; and (vi) provide cash management reports.

72. **National Directorate for Procurement.** Technical support was to be provided to train and strengthen procurement and contract management functions in the MoE. This included refinement, implementation, and monitoring of a Procurement and Contract Management Training Plan and Manual, and legal support to the Directorate of Procurement. The Ministry was to support strengthening procurement and contract management through adequate and sustained staffing and resourcing of the Directorate of Procurement, and commitment of responsible staff for training in procurement and contract management responsibilities within Directorate AAPs and Training Plans. Strengthening of this function was to be closely linked to the support to Priority Program 12, —Creating a quality, transparent financial management system. Technical support was also to contribute to Priority Program 13, —Ministry Management of Technical Assistance, particularly in the Ministry performance monitoring and evaluation of consultants, suppliers and contractors' performance, including those provided through external support.

73. The result of the capacity development activities within the National Directorate of Procurement (DNA) was that the DNA has started relying less on consultants and advisers due to their increased knowledge. The staff are now confident that they can carry out routine procurement activities on their own. The DNA is using the staff development plan provided by the external advisers to continue further professional and organizational development which is strongly supported by the MoE management. The funds for procurement training abroad have been allocated for DNA staff as well as for training at the MoF. The DNA has also instituted regular meetings with the National Procurement Committee and the MoF to be able to settle procurement issues on a timely basis. Moreover, participation in the training sessions in procurement and project management delivered by the Bank in Dili gave the DNA staff and the project procurement team an opportunity to acquire new knowledge and skills and to establish

better relations with the other ministries and public agencies implementing Bank-funded projects. The enhanced procurement capacity of the MoE has been recognized by the Government and the MoE is now to place and/or to manage contracts exceeding the accreditation limit at US\$1 million. This is a substantial achievement for MoE.

Box 9. National Directorate for Procurement-International Adviser Outputs

The adviser performed all the duties as defined in the TOR and the outputs are as follows:

- Developed a work plan for a period two years (2013 - 2015) that included timelines for establishing the improved Procurement System, specific strategies on skills transfer to national staff and consultants, activities, timeline, benchmarks and expected outputs, and approach and timelines for private sector outreach.
- Drafted the MoE institutional framework for procurement and contract management which includes a procurement performance indicators guide and is being reviewed within MoE;
- Finalized and implemented a procurement capacity building plan upon beginning assignment in 2014. The plan was updated for 2015.
- Finalized a procurement and contract management manual with relevant templates. These include:
 - MSP Procurement Manual as part of the MSP procurement operations manual;
 - School grant manual revised to incorporate experience gained in implementation of school grants under the ESSP project. It was used as a basis for implementation of the infrastructure rehabilitation program for social sector and shared with the Bank-supported SCEP project for development of the community learning centers manual;
 - Revised the set bidding documents for procurement of goods and related services and professional services;
 - Developed procurement and contract management monitoring tables;
 - Developed a standardized price list of often bought items which is being utilized and updated annually; and
 - Consolidated the MoE procurement and contract management manual.
- Revised project POM for MSP as well as the POM for SCEP.
- Provided procurement training for national staff.
- Assistance with development of the 2014 and 2015 MoE procurement plans for 2014 and 2015. This included development, in cooperation with the line directorates, of implementation plans and cost breakdown;
- Produced progress and evaluation reports on capacity building and private sector outreach programs.
- Drafted the 2014 and 2015 education sector procurement performance report.
- Provided a final report with achievements and recommendations for the director of procurement to continue improvement and professionalization of the procurement process.

Box 10. National Directorate for Procurement- Three National Advisers Outputs

The National Advisers performed all the TOR duties as required. It should be noted that all three national advisers still remain in their positions continuing to support the procurement directorate and build the capacity further. There were many contributions made by the national consultants which are summarized as: (i) provided comments and suggestions on situation analysis and procurement training plan; (ii) provided implementation of procurement training for MoE staff at the national and sub-national levels and communities in accordance with the agreed plan; provided support for recruitment and contract extension of National and International consultants; (iii) provided one-and-one and coaching was provided regularly particularly with tender proceedings and contract management; (iv) translated manuals and procurement documents into the national languages; (v) completed procurement

documents, in accordance with procurement plans approved by the MoE and the Bank, GoTL regulations and the Bank guidelines; (vi) provided monthly progress reports; Developed instructions on administrative procedures and document management system; and (vii) developed efficient procurement filing system and regularly updated the files which included ensuring relevant documentation was filed electronically and ensured that all necessary documents and contracts are in good order.

74. **Monitoring and Evaluation and EMIS.** The monitoring and evaluation (M&E) and EMIS support was to assist in the monitoring of NESP achievement as well as support the development of monitoring, analytic and evaluative capacity in the MoE. In addition, the adviser was to help with updating, maintenance, and upgrading of the EMIS and related systems.

75. Overall the adviser assisted with M&E and EMIS by completing three manuals: (i) a key performance indicators (KPI) manual, covering standard definition and how to calculate EMIS data; (ii) a data warehouse manual, regarding consistent information of the data warehouse; and (iii) a data analysis manual on how to produce KPIs and other information from EMIS data. The adviser also provided training on data analysis and monitoring for seven EMIS officers and a draft of a PAF was developed and discussed with the stakeholders in the directorates. (More details on outputs are provided below.) The adviser also introduced Tableau software (which assists in aggregating data) and trained the EMIS director and team on the utilization of the software. This has allowed the EMIS team to produce and provide data more quickly to other units with MoE. Moreover, the EMIS director indicated that he was now able (for the first) to present data to the minister and other MoE staff due to the increased knowledge supported by the technical adviser.

Box 11. M&E and EMIS International Adviser Outputs

- Completed a situation analysis.
- Completed two baseline assessments: (i) MSP baseline assessment and (ii) MoE baseline assessment used in the development of the PAF.
- Data and system consolidation and improvement that included the information from the situational analysis.
- Built a data warehouse that can be used as data integration for report and analysis purpose.
- Consolidated data resulted from the National Education School Mapping Survey and integration into GMIS. This activity was led by IT Department, the adviser contributed as necessary per requested by IT Department.
- Developed a standardized reporting system and format for data reporting.
- Revised set of KPIs for line directorates that looks at how to assess outcome levels and link outputs to outcomes as monitoring and evaluation tools.
- Provided recommendations on institutional arrangements and how to restructure the planning and EMIS department which was given to the DG-CS.
- Developed national capacity building program for planning and EMIS departments.
- Developed three data analysis and monitoring manuals: (i) KPI manual, 2) data warehouse manual, and (iii) data analysis using Tableau (mentioned above.)

Annex 3. Economic and Financial Analysis

76. Better budget institutions are associated with lower public debt and a higher budget balance¹⁶. Public financial management (PFM) and procurement performance in the MoE improved over the life of the project. Observed indicators demonstrate improvements were linked to the technical assistance provided in the implementation of the project. The original proposed benefits of the project included: (i) improved planning and budgeting; (ii) improved budget execution; (iii) more accurate and timely procurement; (iv) improved integrity and transparency of the PFM system; and (v) improved skills base.

77. Effective PFM is affected by the predictability of the budget. It has been shown that unpredictable budgets can decrease economic growth in low income countries¹⁷. One measure of budget predictability is budget execution. Average budget execution in the MoE in 2013 was 88 percent¹⁸, meaning that 12 percent of the approved amount was never spent. Budget execution improved over the course of the project to approximately 95 percent in 2015. The MoE budget execution was higher than the national average (at 86 percent) for 2015. Better predictability is further evidenced by the drop in average deviation of budget execution from 10 percent in 2003 to approximately 5 percent in 2014.

78. The introduction of annual action and budget plans was introduced to improve planning and budgeting. The outcome measure, performance satisfaction rate, based on a formal review process of targeted directorates, rose, on average, from 50 percent in the 2012 baseline measure to 97.7 percent in 2014.

79. Improvements in the integrity and transparency of the PFM system was measured by the percentage of competitively awarded contracts in line with the procurement plan. Marked improvements were observed after the development of training manuals and a complaint handling mechanism. The percentage of competitively awarded contracts in line with the procurement plan was only 32 percent in 2013 rising to 90 percent in 2015.

80. The Bank's involvement has added value to the economic and financial development of Timor-Leste by making available its technical expertise to the MoE not otherwise available or sufficiently developed locally. In-country human resource training has increased the productivity of MoE employees through improved skills and processes. Timor-Leste's educational capacity has been strengthened through improved teacher training. The future workforce will have stronger skills which will, in turn, expand the economic production frontier of the economy.

¹⁶ Gollwitzer, S. (2010) Budget Institutions and Fiscal Performance in Africa. *Journal of African Economies*, Vol. 20, number 1, pp. 111–152; Alt, J. E., & Lassen, D. D. (2006). Fiscal transparency, political parties, and debt in OECD countries. *European Economic Review*, 50(6), pp1403-1439.

¹⁷ Direct links to budget unpredictability and economic growth have been made in Kodmana, M. (2012) Aid Unpredictability and Economic Growth, *World Development*, Vol 40 (2), pp266-272.

¹⁸ Source: Ministry of Finance, Timor-Leste Budget Transparency Portal, Accessed 4 December 2015.

81. Financial leakages in the system have been reduced over the life of the project by better planning and execution combined with stronger financial transparency. One example of such a reduction is the effect of the implementation of new procurement processes. In 2014, the MoE's office supplies expenditure totaled US\$399,860. After the introduction of a standardized list of office supply items for MoE units the project's procurement consultants, expenditure fell to US\$173,401 the year after. This represents a 57 percent cost reduction and a saving of US\$226,459. The total budget for the MoE in 2015 was US\$74,658,715¹⁹. Even with a modest estimate of cost savings of 5 percent of the MoE annual budget, the management strengthening initiatives yields savings equivalent to US\$3,732,935 in a single year.

82. The project demonstrates strong internal efficiency with over 91 percent of the US\$2.8 million project funds disbursed. Only 6 percent of funds were spent on operational and administrative costs – which is low by most standards – including those seen in previous Timor Lest projects (See table below). Considering the reduced overall operating costs associated with this project and the fact that this was the first donor supported project to mainstream implementation, this indicates substantial efficiency.

Table 2: previously-evaluated projects in Timor-Leste

Project names	Project number	Operating Cost (US\$ million)	Total Disbursement	% Operating Cost	ICR Dates
Management Strengthening Project	P125443	0.16	2.38	0.067	Jan-16
Education Sector Strategic Plan	P095873	2.62	20.30	0.129	Jan-14
Fundamental school Quality Project	P072647	2.42	18.18	0.133	Jan-07
Emergency School Readiness Project	P070268	2.08	13.9	0.150	Apr-03

¹⁹ Source: Ministry of Finance, Timor-Leste Budget Transparency Portal, Accessed 4 December 2015.

Annex 4. Grant Preparation and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit	Responsibility/ Specialty
Lending/Grant Preparation			
Stephen David Close	Education Specialist	GED02	Task Team Leader
Dandan Chen	Education Program Leader	ECCU3	Task Team Leader
Evelyn Levy	Public Sector Mgmt Specialist	GWADR	Consultant
James A. Stevens	Senior Operations Officer	GED02	Operation
Sudesh Ponnoppa	Operations Assistant	EACNF	Operation
Jose Maria Tavares Mousaco	Consultant	GEDDR	Education Management
Marjorie Mpundu	Senior Counsel	LEGES	Legal
David Bruce Whitehead	Financial Management Specialist	GGODR	Financial Management
Kristen Andrew McDonall	Program Assistant	EACNF	Administration
Maria Eulalia Belo Leite	Program Assistant	EACDF	Administration
Anna Coronado	Program Assistant	GEDDR	Administration
Supervision/ICR			
Susiana Iskandar	Senior Education Specialist	GED02	Task Team Leader
Dandan Chen	Education Program Leader	ECCU3	Task Team Leader
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Jose Maria Tavares Mousaco	Consultant	GEDDR	Education Management
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Myrna Machuca-Sierra	Education Specialist	GED02	Education Quality
Robert J. Gilfoyle	Senior Financial Mgmt Specialist	GGODR	Financial Management
David Bruce Whitehead	Financial Management Specialist	GGO20	Financial Management
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Danielle Merrett	Consultant	GEDDR	ICR Economic Analysis
Victoria Gyllerup	Senior Operations Officer	GWAGS	ICR Peer Reviewer
Moukim Temourov	Senior Economist	GED05	ICR Peer Reviewer

(b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)*	
	No. of staff weeks	USD Thousands (including travel and consultant costs)
Lending:		
FY 2011	0.00	0.00
FY 2012	5.27	13.28
Total:	5.27	13.28
Supervision/ICR		
FY 2013	0.00	0
FY 2014	3.95	11.894
FY 2015	0.08	0.217
FY 2016	0.00	0.00
Total:	4.03	12.111

* Please note that the majority of staff cost are recorded under the Bank-executed portion of the trust fund

Annex 5. Beneficiary Survey Results

Not applicable

Annex 6. Stakeholder Workshop Report and Results

Not Applicable

Annex 7. Summary of Grantee’s ICR and/or Comments on Draft ICR

Ministry of Education, Timor-Leste Management Strengthening Project (MSP) 2012-2015

I. Summary

83. Management Strengthening Project (MSP) was a multi-year project provided at the request of the Ministry of Education of Timor-Leste following initial implementation of National Education Strategic Plan (NESP). The MSP Project grant was provided by Global Partnership for Education (GPE) through International Bank for Reconstruction and Development/International Development Association as supervising entity. The grant was launched following the signing of Financial Agreement between Government of Timor-Leste and the International Bank for Reconstruction and Development/ International Development Association (“World Bank”) on June 15, 2012.

84. The objective of the MSP project was to support the Ministry of Education in implementing the National Education Strategic Plan (NESP) through strengthening the Management and system of targeted directorates both at National and districts/municipality level. At the initial stage of the implementation, a result framework to measure the achievement of the project was designed and approved as a basis to monitor and evaluate progress of the project with focus on sector Management Assessment as key indicator with two intermediate result indicators, (i) Performance by Targeted Management Directorates and key staff against Annual Action Plans and Budget Plans and relevant NESP Priority Programs, and (ii) Strengthening public financial Management system through three sub-indicators, budget deviation against actual allocation, budget execution and Presence of transparency, competition and complaints handling mechanisms to be established at the national directorate of procurement.

85. Throughout the whole life of the project, some significant delays were experienced particularly at first and second year of the implementation. These delays were mainly caused by some issues including change of government, market shortages of consultants, timely mobilization of consultants from country of origin and earlier resignation of advisers. Alternatively, in May 2014, the MoE and the World Bank decided to review the project through Mid Term review (MTR). The MTR was intended to identify issues and realign the project by changing project expected key outputs and indicators to make it more feasible for implementation within the remaining time of the project. Soon after MTR, the Government of Timor-Leste through Ministry of Finance had submitted a request to the World Bank requesting for a project restructuring. Unfortunately, due to some policy issues, the proposed restructuring was unsuccessful. Those policy issues included uses of GOTL procurement system, criminal clearance of consultants, and funding for external audit.

86. To keep it agreed upon, some discussion between Government and the World Bank went on for some time with no result. Subsequently, it delayed the whole process until it went past the minimum period of six months for restructuring. Since project restructuring was not successful, this report only focuses on what worked well and what did not work well against project development objective set originally. It also touches on lessons-learned during the whole project

life (June 15, 2012 – July 31, 2015). In addition, this report also addresses sustainability of support provided to targeted directorates who benefited from GPE grant. The sustainability is looking at how support has impacted the way in which targeted directorates operate and what improvements have been made to increase capacity of targeted directorates to deliver the National Education Strategic Plan. Since MSP supported mainly through technical assistance, the success could be seen through the use of developed and approved manuals, guidelines and including other important documents to support day-to-day business operations.

II. Project Description

87. The Management Strengthening Project (MSP) was financed by Global Partnership for Education (GPE) – TF 012495 in the amount of US\$. 2,800,000.00. The project development objective was to support the implementation of the NESP through strengthening the capacity and systems of the MoE.

88. Two components were agreed upon as focus of the project. These include the following:
- Component A – Strengthening Targeted Management Directorates by looking at AAPs and Budget Plans and relevant NESP Priority Programs, including Priority Program 2 (Basic Education Reform) Priority Program 7: Improving Teacher Quality; Priority Program 8 (General Management Reform); Priority Program 10: De-concentration and Organizational Improvement and Priority Program 11: Introducing Information and Communication Technology and Management Information
 - Component B - Strengthening Public Financial Management and Evidence-based Planning Capacity focusing on the average deviation (in percentage) of budget execution from original budget across all National Directorates and budget execution measured in cash basis; and Presence of transparency, competition and complaints mechanisms in procurement

III. What did work well in the Management Strengthening Project

3.1 Improved Rating of sector Management Capacity Assessment

89. Under the IV constitutional government, institutional performance assessment function was under the responsibility of the Secretary of State for Institutional Strengthening (SEFI.) In 2013, the first assessment was carried out at the Ministry of Education focused on Management Capacity, Human Resources and use of public resources including budget. Following the completion of the assessment, a report was produced and presented back to MoE Management with the following recommendations, which were aligned with the focus of the Project:

- **Centralize all recruitment at the National Directorate of Human Resources.** This was achieved with the support of the National Human Resources Management Adviser who developed standard Guidelines including process and procedures governing Recruitment/Selection and Contract Management, contract extension and performance evaluation of Advisers and/or Consultants and public administration agents. Moreover, guidelines and Ministerial Diploma for Teachers recruitment and Performance Evaluation were also developed and adopted. Additional support was also provided to the

Directorate of Human Resources through an analyzing of the existing HR Management Information System and two options were elaborated to develop a standalone system or integrate HR Functionality in the existing system and link it with the Civil Service Commission Information Management System. The report was presented to the MoE management and the submitted to respective directorates for implementation.

- **Production of Learning Material.** Budget for production of learning materials was increased substantially in 2014. The reduction that followed in 2015 was because of expansion of own printing facility established with support of the Korea International Cooperation Agency (KOICA). It is currently functioning and is capable of producing learning materials as needed.
- **Dissemination of information on approved budget.** This recommendation was done by involving all directorates and district/municipalities through workshop and meetings organized by the National Education Strategic Adviser. A series of practical exercise are continuously undertaken and all directorates are well informed about their own budgets provided in their respective AAP and consolidated in the Procurement Plan, which initially was facilitated by the procurement team under the lead of international procurement specialist.
- **Adequate Support provided to EMIS department.** The SEFI's report recommended improving hardware used for the EMIS that was met by the MoE. While working on this recommendation, some EMIS manuals were additionally developed with the support of the project. Those include KPI Manual, Data Warehouse Manual, and PAF and those were submitted to MoE Management to use as instrument to measure performances against AAP and NESP. Besides these, training to EMIS staff was also carried out focusing on developed manuals to help EMIS staff familiar with those and able to use them appropriately.

90. It is necessary to note that since 2013, no further assessments have been carried out by SEFI to re-evaluate the performance of the Ministry and assess the achievements of the recommended issues. In the absence of such evaluation, MoE with the support of National Strategic Adviser carried out their own evaluation against AAPs and reports have been produced and made publically available every financial year.

3.2 Performance by Targeted Management Directorates and key staff against AAPs and Budget Plans and relevant NESP Priority Programs

3.2.1 Targeted Management Directorates and key staff against AAP and Budget plan and Relevant NESP Priority Programs.

91. **Performance of Targeted directorate in general.** This part is measured by Performance of Targeted Management Directorates and key staff against Annual Action Plans, Budget Plans and relevant NESP Priority Programs with ultimate target of 100 percent in July 2015. The actual performance of the targeted Management directorates and key staff against AAP and budget

plans was 97.7 percent almost reached the ultimate target set initially. The performance of individual targeted Management Directorates looking at AAP and budget plan was 100 percent.

92. **Institutionalization of the Ministry of Education’s planning function.** The Ministry of Education (MoE) has benefited from the support of MSP, which contributed to increase the institutional capacity in performing its mandate as expressed in the National Education Strategic Plan 2011-2030 and deliver its services to the population. Even if there are still challenges that continue to require support to further improve the government’s service delivery, there are also success stories that can be noted, particularly with the MSP support to the planning function of the Ministry. The key outputs of the MSP support in Planning, namely the five years plan and the AAPs of 2014, 2015 and 2016, were developed in accordance with the following principles; **Consultation, Harmonization, Participation, Coordination, Team work and knowledge transfer.**

93. The preparation of the Ministry of Education’s 5-year plan was carried out as the first assignment of the National Strategic Sector Advisor who worked alongside with other international advisor, the chief of the planning department and other six planning focal points assigned to different directorates. The preparation of the 5-year plan and the AAP for 2014, 2015 and 2016 included the following steps:

- Development of written guidelines that outline the tasks, the roles and the responsibilities for each of MoE’s units and directorates. These guidelines were developed in *consultation* and *harmonization* with the government standards developed by the Planning, Monitoring and Evaluation Unit of the Prime Minister Office. In its guidelines, it is stated that the planning process should adopt both a bottom-up (until the districts level) and top-down approach (to align with political priorities).
- Call for Meetings with the *participation* of both the members of government and all Directorates and Units, in order to present the guidelines and explained the process of Planning with the goal to ensure proper coordination since the first moment. All Directorates received copies of the guidelines, Distribution of Guidelines relevant materials from the office of the Prime Minister and key reference documents: National Strategic Development 2011-2030, National Education Strategic Plan 2011-2030, Program of Government, MoE Organic law and key legislation, as well as key educational data from EMIS department.
- Realization of national workshop with the *participation* of all relevant Directors and Chief of Departments at National and sub-national level. For the 2016 Annual Plan, the workshop was conducted during 5 days which provided sufficient time to properly explain and train participants on key planning concepts (as input, process, output, outcome, indicators), on how to fill in the planning forms/template having as reference to the documents provided (as per the detail on number 2) and to understand the situational analysis produced by EMIS on relevant educational indicators, identifying challenges and informing evidence-based planning approach. During the workshop, group discussion was encouraged to evaluate the level of *knowledge transfer* as well as to jointly agree on the priorities from both the National Strategic Plan and the Governmental Program to be

included in the Annual Plan. Participants' feedback was very encouraging and revealed their interest for further participatory forums to occur in other MoE's management functions.

94. Each Directorate was given time to prepare their individual plan based on the information provided and in line with their competences as stated in the MoE's Organic Law. During this process permanent *consultation* with the Planning Unit was guaranteed. Each Directorate was given a chance to present its prepared individual plan and by means of *team work* with the Planning unit adjustments are made to the individual plans in order to ensure *harmonization* with the Strategic and Legal framework as well as coherence with the analysis of execution of the last annual plan. Under the coordination of the Director General for Corporative Services and the office of the Minister and the two vice ministers integrated and consolidated the individual directorate level plans to the Ministry level plan. The final version is shared, discussed and approved both at technical and political level. The process of plan preparation ends with the official submission of the Plan to the Office of the Prime Minister. To facilitate the AAP consolidation process, Planning Unit developed a matrix detailing the linkage between individual AAP and the consolidated plan.

95. A crosscutting aspect of planning is gender equality. The MoE has adopted the recommendations from the Government Institution responsible for gender equality in its annual plans for 2014, 2015 and 2016, which have been reviewed positively in terms of gender balance and gender desegregated targets and indicators.

96. The planning does not stop at the preparation stage. Further work was developed in increasing the capacity of the MoE's directorates for regular monitoring of annual plan implementation. For this purpose, the planning unit developed specific guidelines for the quarterly monitoring of the annual plan, in coherence with the standards developed by the Planning, Monitoring and Evaluation Unit of the Prime Minister Office. The process for monitoring of the annual plan execution adopts also a participatory approach, as each Directorate-General is responsible for coordinating with National and District Directorates the filling of the quarterly report. After receiving all the inputs, the planning unit promotes a joint Meeting of both DGs and members of government to review the consolidated report, identifying major progresses, challenges and solutions to improve the effective and efficient execution of the annual plan. This participatory process has been internalized by the Ministry and is progressively contributing to a positive shift in work culture at the Ministry under the principles of teamwork, participation, coordination and harmonization.

97. The Planning, Monitoring and Evaluation Unit of the Prime Minister Office evaluates the annual plan of the different Government institutions. The evaluations of both Annual Plans for 2014 and 2015 commended the general quality of the documents highlighting the following aspects: the alignment with both the National Strategic Development Plan and Government Programmes; objectivity and clarity in the plan; the reference to programmes and activities with direct impact to people; the adequate correspondence between goal/impact; outcome; outputs; activity. Moreover in the evaluation of 2015 Annual Plan the Planning, Monitoring and Evaluation Unit of the Prime Minister Office states that the MoE's Annual Plan may be used as reference for other Line-Ministries training. In fact, the training provided by the Planning,

Monitoring and Evaluation Unit of the Prime Minister Office for the 2016 Annual Plan preparation process with the planning focal points of all Line-Ministries was based on the MoE AAP for 2015. Please note that at time of this document drafting the evaluation for the 2016 Annual Plan was not shared with each of the line Ministries even if the feedback received so far was very positive and recommended the quality, structure and coherence of the Annual Plan for 2016.

98. Under the scope of the institutionalization of planning, substantial progress in MoE's institutionalization of the development partners' coordination support has been achieved. An important milestone in this respect was the establishment of the Joint Action for Education in Timor-Leste, a harmonized, simplified and country-specific system – Joint Action for Education in Timor-Leste (ACETL) for coordination of education partner's inputs as well as a mechanism to monitor sector-wide execution of the Annual Education Plan. The ACETL comprises three levels of coordination: (i) strategic level, to provide strategic direction through broad dialogue and chaired by the Minister of Education;(ii) technical level, to provide a forum for refining coordination on technical issues relating to the whole sector, being chaired by the DG for Corporate Services and held on a quarterly basis; (iii) local level, to coordinate implementation and monitoring at the sub-national level, chaired by Education District Directors and held minimum on a quarterly basis. ToRs for the ACETL were developed in partnership with the Global Partnership for Education and are available in the MoE website in both official languages and English.

99. Under the context of the ACETL, in 2014 for the first time the MoE, through the Directorate General for Corporate Services requested all development partners to provide inputs for the Mapping of Education Development Assistance and to fill the Annual Plan's template with the information on the activities to be performed during 2015, so that the Ministry could consolidate all development partners annual contribution while promoting alignment and MoE's ownership. The feedback from development partners was very good as the MoE Directorates received consolidated information on development partner's support which enabled them to increase effectiveness of the contributions, avoid overlapping, and increase complementarities as well as to identify non-funded needs.

100. The capacity of the Planning Unit and of the MoE Directorates demonstrated steady increases that ensure further institutional sustainable development and less reliance on advisors contribution. A key outcome under the planning institutionalization is the change of mind-set of Directorates, which now understand the usefulness of the planning exercise and its impact in improving the efficiency and effectiveness of the daily work, contributing to the introduction of a management by results system, focused on achieving key outputs and educational outcomes. An important recent development is the upgrading of the Planning Unit from Department level to Directorate-general, which shows the recognition and increasing importance that the MoE is attributing to evidence-based planning and monitoring.

3.3 Performance of each Priority Program

3.3.1. Priority Program 2 & 7: Basic Education Reform and improving teacher quality

101. Under this area, a number of trainings were held including a workshop which was conducted in March to April 2015 and was attended by 256 participants including *Adjuntos of Escola Basica* clusters (202 public schools and 54 from private schools in all 13 districts. The Project also supported the implementation of MTBME pilot program in the three selected districts of Lospalos, Manatuto and Oecusse. A five year strategic plan was developed along with curriculum and lesson plans for Preschool A and B. A Primer texts (learning to read and write materials) in 3 mother tongues with native speakers were also developed. The primers range from 26-32 lessons depending on language. In addition, a Primer workbook in each language that goes along with the Primer and Trained teachers on new methodologies and improved internal communication by promoting use of Drop box, shared folders, shared calendar, etc. was also developed and introduced.

102. Further to these, a Language Mapping survey was also carried out in all schools in Timor-Leste whose findings indicated 63 percent of the 1,415 schools in Timor Leste were monolingual which means that all the students in these schools shared the same strongest language. In total there were 30 different languages that were found among the students. The largest language which 139,748 students speak as their strongest language is Tetum Praca. The result of the survey was presented to MoE management in mid-June 2015 and recommendations were given for future decision. In addition, Project also supported the Directorate General of Pre-School and Basic Education in reviewing the school grant manual, school feeding manual and teacher-parents association manual. Those manuals were finalized and have been adopted by the national directorate of Basic Education to use guide to implement School Grants and School feeding programs. This is considered a success of the project where manuals are utilized. Project tried to provide more support on improving school management, however, it was not successful as MoE and Project faced difficulties in getting the right and qualified candidate to support it.

3.3.2 Priority Program 7: Improving Teacher Quality, Priority Program 8: General Management Reform, Priority Program 10: De-concentration and Organizational Improvement.

103. Project was able to support the review of the school grant and school feeding programs. This is considered to be part of one of the programs to be de-concentrated to municipality level. The project also supported revision of the school grant manual, school feeding manual and teacher-parents association manual. These manuals were finalized and adopted by the National Directorate of Basic Education and are being used by education departments and institutions at the national and sub-national level. In broader terms, the project supported analysis and implementation of school grants and school feeding programs and passing of more responsibilities in implementation of such programs to schools level. It contributed to de-concentration and organizational improvement.

3.3.3 Priority Program 11: Introducing Information and Communication Technology and Management Information Systems

104. MSP contributed to improve analysis skills by providing manuals of data analysis-using Table, Data warehouse and some related documents such as data roadmap and KPI to measure performance indicator through Education Sector Analytical Facility (ESAF). However due to time constraint, the capacity building considered as “introduction level” and need further assistance.

3.3.4 Strength of Public Financial Management (PFM) systems in the Ministry looking at the average deviation (in percentage) of budget execution from original budget across all National Directorates.

105. The average deviation in percentage of budget execution from original budget across all National Directorates was measured as budget deviation. The indicator was 9.7 percent and 4.9 percent in 2013 and 2014 respectively. The values for 2015 will be calculated in the first quarter of 2016 after the final date on budget execution are available.

3.3.5 Strength of public financial management systems in the Ministry measured by Budget Execution rate in cash basis

106. This indicates that the budget execution rate in 2013 was 91.1 percent, 97.7 percent in 2014 and 54.3 percent in half year of 2015.²⁰

3.3.6 Strength PFM system in the Ministry: Presence of transparency, competition and complaints mechanisms in procurement.

107. The MoE of Timor-Leste management paid special attention to strengthening procurement system in education. It recognized the weaknesses of the existing procurement system and formulated a series of initiatives in the Procurement Note aiming at improving procurement operations, making the procurement system more efficient and accountable and enhancing in-house expertise established under the previous projects. The strong leadership of the MoE senior management, its adherence to the MSP objectives and continuous support of implementation of the above initiatives were decisive factors contributed into achieving the expected results in terms of procurement. These principles remained intact despite multiple changes of the MoE management during the Project life.

108. From the very outset of the MSP, all project activities were integrated into MoE operations and were coordinated through Annual Action Plans that was a basis for MoE consolidated procurement plans. This approach encouraged all targeted line directorates to actively participate in the procurement process, including development of the Terms of Reference, evaluation of consultants’ qualifications and experience, contract negotiations and management. It predictably slowed down the project implementation at the initial stage but

²⁰ Data provided in this section was drawn from Free balance of the Ministry of Finance, Timor-Leste

allows the national staff to gain valuable experience and skills by “doing themselves”. It was quite a challenging task and the staff experienced a sharp learning curve that has eventually resulted in having selection process managed entirely by the national staff and enhancing MoE Project ownership. However, it would hardly be possible without high motivation and dedication of the DNA, procurement team and targeted directorates’ staff to gain new knowledge and skills and achieve maximal possible results under rather complex conditions.

109. The procurement operations under the MoE budget also demonstrated good progress. Annual procurement plans not only have become a norm and were developed with participation of all line directorates but also were progressively adhered by all parties concerned over the Project time. Percentage of competitively awarded contracts in line with the procurement plans increased from 32 percent in 2013 to 80 percent in 2015. A positive trend in the use of competitive procedures was also observed. The number of competitive biddings increased to 31 in 2014 compared to 9 in 2013 and all of them were carried out by the MoE. In 2014, all International and National Competitive Biddings were awarded within bid validity period.

110. Improved transparency of Public Procurement and World Bank projects is characterized by establishment and maintaining in a good order of procurement filing system, advance notification to the market, equal opportunities for all bidders, publication of bidding results and contract awards, established debriefing and complaint handling procedures.

111. The newly established Legal Team provided vital support to the DNA and other parties involved in procurement with carrying out procurement procedures, managing contracts and settling disputes and assisted with development of Procurement and Contract Management Institutional Framework in the Education Sector, Procurement and Contract Management Manuals and other procurement documents.

112. All this contributed in improving DNA staff and procurement team knowledge, experience and skills as well as their confidence that they are in a position to carry out routine procurement activities and contract management on their own. As a result, they have become less dependent on procurement advisors.

113. The enhanced MoE procurement capacity has been recognized by the Government that authorized the MoE to place and/or to manage contracts exceeding the accreditation threshold at US\$1 million.

IV. What did not work well during the implementation of the project

4.1. Legal Unit

114. MSP project also supported MoE with two legal advisers who provided legal supports on the drafting of regulations, reviewing of laws and provided legal opinion on important documents. Further assistance was also provided in the development of Memorandum of understanding between MoE Timor-Leste and other countries through bilateral cooperation. Part of their role was to support MoE in the establishment of Legal office equipped with professional

lawyers who could continue to provide support to ME in its operations upon departure of the adviser.

115. The attempt was not reached as the new organic law has just been passed to legally recognize the existence of the office. It will be staffed with national competent lawyers who are now working at HR and Finance. The national lawyers were trained by the advisers to take over the function.

4.2 Project Restructuring

116. After almost two years of implementation, MoE and the World Bank tried to review the project Development Objective and intermediate outcome indicators. In May 2014, a Mid Term Review (MTR) was carried by MoE and the World Bank review mission to review the progress of the project and identified that the project needed a restructuring to realign the focus of the project and making it more feasible to deliver within the remaining life of the project. In November 24, 2014, the Government of Timor-Leste through Ministry of Finance sent a letter of request to the World Bank and expressed its request to restructure the project. The proposed restructuring was not successful due to pending policy issues related to use of Country Procurement System, Criminal background check of consultants and linking of EMIS with the Government's broader strategy for information system. The World Bank thought it would be too difficult to implement those and recommended to be considered in the future programs. Discussion went on until it went passed the minimum period of 6 months of restructuring. As a result, government and the World Bank agreed to keep the same project Development Objective and intermediate indicators as agreed initially.

V. Project Sustainability

117. The project intended to increase the targeted management capacity to effectively implement the National Education Strategic Plan (NESP). This includes the following directorates:

5.1. National Procurement

118. Project was able to support the directorate in developing procurement manuals and guidelines for the directorate to use. To internalize those, manuals and guidelines were approved and introduced in day-to-day operation to help staff familiar and able to use them effectively. Other success which makes the support sustainable is the establishment of complaint handling mechanism which provides chance to unsuccessful bidders to file their complaint regarding civil works or services they bid for.

119. Further to these, there were on the job-training to staff at the directorate who are able to work independently in handling all procurement process with lesser dependency on external expertise. One or two technical assistance still engage to continue providing support mainly on International Competitive Bidding proceedings. Other success that can be accounted as part of the support is that all similar supplies of each of the directorate were grouped together to reduce workload and increase time efficiency.

5.2. Mother tongue Multilingual based Education pilot project

120. Another success which MoE and project achieved is the implementation of Mother Tongue Multi-Lingual Based Education pilot project implemented in three selected districts of Lospalos, Manatuto and Oecusse. The support provided had resulted in the existence of five year implementation plan, curriculum and lesson plans and learning materials. Besides this, training to teachers was also provided on the development of lesson plans and use of learning materials. Issue of sustainability was raised to MoE high level officials. A report outlining the result of piloting is expected to determine future implementation and roll-out of MTBME programs to other schools within the same districts.

121. In addition, project also supported a nationwide Language mapping survey. Please see section 3.3.1 for more details.

5.3. Education Management Information System

122. EMIS Department is a center for data collection within ministry of education and since its development, EMIS focused on system engineering and data collection without adequate attention to management issue, including data definitions, data management guideline, strategic plan, information productions and Standard Operating Procedure (SOP). The current database management system was not able to separate data transaction and data warehouse, which latter to be a factor to data or information inconsistency. Data Analysis and monitoring Advisor put Data Warehouse as medium priority, however due to significant impact to data analysis, he prepared a framework and implemented (but it was not priority) and be continued by MoE;

123. To contribute in the improvement of data collection, data analysis and monitoring, following works were carried out; Baseline Assessment; Consolidation of data resulted from the national education school mapping survey and integration into GMIS; Standardized Reporting System; Revised set of Key Performance Indicators (KPI) for line Directorates; Developed Data analysis and monitoring manual, including guidelines, templates and other documents regulating and instructing data analysis and monitoring; Developed and updated ESAF manuals and consolidation method of Information System within MoE; Standardized report, trained staff to use them against AAP and NESP; Consolidated data resulted from the National Education School Mapping Survey and integration into GMIS upon completion of the survey in June 2015.

5.4. Basic Education Reform

124. The support would in standardizing pillars of quality schools governance, positive school environment, effective school management and quality learning outcomes; and Basic Education implementation plan, including school management policy and procedure manual; and the escola básicas management training modules and materials, including development of system for management by result.

125. As mentioned previously, MoE and project tried to hire a school admin and organizational adviser to provide support on this area but since no candidate was selected and

willing to work in this areas the support only resulted with training to 256 participants including *Adjuntos of Escola Basica* clusters (202 public schools and 54 from private schools in all 13 districts in March and April 2015. This training was organized with the support of National Training Adviser who was assigned to help INFORDEPE and Basic Education Directorate in the development of training programs and implementation. Further support also provided through the area of Mother Tongue Multi-lingual based education pilot project in three districts of Lospalos, Manatuto and Oecusse where Curriculum and learning materials were developed to support it. Teachers were trained and monitoring and evaluation instruments were developed to help evaluating the progress of the pilot programs. In addition a five year strategic plan was also developed to support with rolling-out and expansion to other schools.

126. Moreover, more support was also provided in the exercise of language mapping which has already been discussed under Section 3.3.1. These results will help government to determine future use of Mother tongue language to bridge students in the learning process from initial grades and transition to more advance grades from pre-school to basic education.

127. To guarantee access to education, government particularly MoE took over school feeding program nationwide to improve nutrition of the children. The project through contribution of National Education Sector Strategic Adviser²¹ designed manual for school feeding program and latter was revised by the International School Admin and Organizational Adviser²² under the MSP to guide the implementation of the program and secure its sustainability.

5.5. AAP and budget preparation, Submission and Information dissemination

128. Other achievement which is considered to have been sustainable is the establishment of a forum identified as *Ação Conjunta para a Educação em Timor-Leste* (ACETL). This forum was established by the Ministry of Education with technical support from advisers including National Education Sector Strategic Adviser. This forum brings together all national and sub-national directors and head of departments including other stakeholders of education to communicate and share priorities identified in the National Education Strategic Plan (NESP). The forum still functional and the last one was held on 17 December 2015. This forum provides opportunity to relevant directorates and donor partners to communicate to each other and share resources to meet the priorities of the Ministry. To carry out the forum, a lot of technical works were adviser who developed all standard formats to use and distributed to line directorates to complete. The exercise has given impact in the increase of directorate's capacity to elaborate AAP and budget plan for their own respective directorate. The Directorates have begun to initiate the exercise alone by themselves with minimum support.

²¹ National Education Strategic Adviser position was financed by the Management Strengthening Project to support in implementation of the project.

²² School Admin and Organizational adviser came only at the end of the project and was able to review the Manual of School Grant, School Feeding program including Teacher parent Association manual.

5.6 Internalization of deliverables

129. Other success of the project is that most advisers had successfully completed their revised list of respective deliverables and had helped MoE institutionalized those. This included manuals and guidelines, templates and other documents such as plans and study finding to support the directorates to implement priority programs in line with those of which are defined in the National Education Strategic Plan.²³

²³ All of the deliverables were produced and internalized. Discussion on internalization occurred with the respective directorates and all being adopted and used.

Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders

Not Applicable

Annex 9. List of Supporting Documents

Aides-memoire and Implementation Status Reports 2012 – 2015

Implementation Completion Report, Borrower Portion, Management Strengthening Project, 2015.

Interim Strategy Note 2009-2010, Timor-Leste World Bank, Washington, D.C., 2009.

National Education Strategic Plan 2011-2030, Ministry of Education, 2011.

Project Appraisal Document, Management Strengthening Project, World Bank, 2012

World Development Report, “Conflict, Security and Development”, World Bank, 2011.

World Bank Country Partnership Strategy, Timor-Leste, 2013-2017

Map

