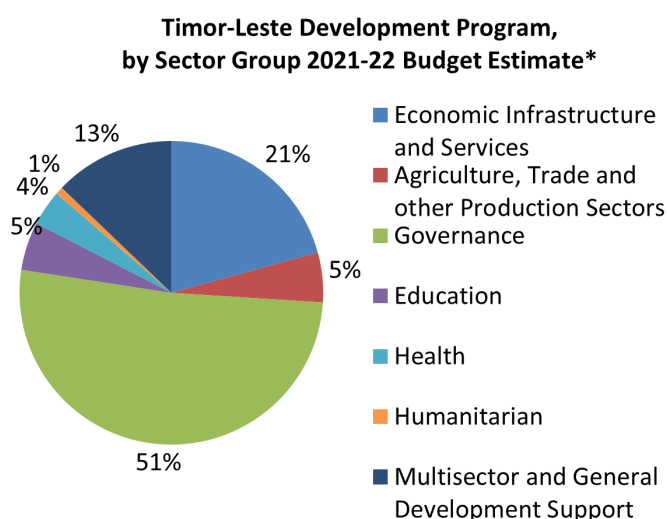


2021-22 TIMOR-LESTE DEVELOPMENT PROGRAM PROGRESS REPORT

The COVID-19 Development Response Plan for Timor-Leste has been extended through 2022-23. In 2022-23, Australia’s approach to development will continue to be framed around three strategic priorities: security and stability; economic diversification and improved public expenditure to deliver quality services. Regional programs, such as the Australian Infrastructure Financing Facility for the Pacific (AIFFP) and the Pacific Australia Labour Mobility Program continue to grow in importance for the development program.

Program Budget	2021-22 Budget Estimate \$m*
Bilateral	73.0
Regional	5.2
Global	25.4
Other Govt. Departments	1.6
Total ODA	105.2



*Actual expenditure is expected to be available in early 2023. Due to rounding, totals may not match the sum of components.

Our development program to Timor-Leste contributes towards achieving the following Sustainable Development Goals:




The 2021-22 Timor-Leste Development Program Progress Report summarises progress in implementing the Australia – Timor-Leste COVID-19 Development Response Plan and highlights program results.

CONTEXT

Australia is Timor-Leste’s largest development partner, providing almost a third (32.6 per cent) of Timor-Leste’s total Official Development Assistance (not including direct budget support). Timor-Leste currently has a Human Capital Index of 0.45, significantly lower than the average for the East-Asia and Pacific region (0.59) and below the average for its peer income countries in the region (0.50).

In March and April 2022, Timor-Leste held its **fifth presidential elections**, with José Ramos Horta elected President. COVID-19 cases continued to rise, with peaks in tandem with a surge of dengue cases during the second half of the reporting period (a seven-fold increase on the same period in 2021). The **burden of responding to these public health emergencies put additional strain on the healthcare system and impacted the delivery of routine services.**

Despite the Government lifting the pandemic-related State of Emergency in November 2021, Timor-Leste’s economy continued to be impacted by COVID-19 and global price fluctuations. In April 2022, headline inflation reached 6.6 per cent (year on year), driven by food and energy prices. A socio-economic impact assessment of COVID-19 published November 2021 highlighted that **41.1 per cent of the population was affected by moderate or severe food insecurity** in the 30 days preceding the survey (July to September 2021). It also showed that of the poorest households surveyed, 70.6 per cent relied on selling livestock, spending savings or borrowing money to manage the impact.



Despite gains in Petroleum Fund investments, a supplementary budget of USD1.24 billion (AUD1.59 billion) increased the state budget to USD3.4 billion for 2022. This far exceeded the sustainable drawdown limit and reduced the Petroleum Fund from USD19.1 billion (AUD24.6 billion) to USD17.8 billion (AUD23 billion), likely bringing forward the depletion of the Fund on current spending levels.

AUSTRALIA'S RESPONSE AND PROGRAM HIGHLIGHTS

Health Security

Australia's support to the Timor-Leste Government continues to strengthen the delivery of essential health services nationwide, in support of the COVID-19 response and ongoing health challenges, to strengthen human capital.

Australia has committed a **\$28.3 million comprehensive package of support for Timor-Leste's COVID-19 vaccine rollout**, including funding from both the Vaccine Access and Health Security Initiative (VAHSI) and the Quad Vaccine Partnership. Through VAHSI, Australia has committed to support Timor-Leste achieve comprehensive vaccine coverage. From July 2021 to June 2022, Australia delivered 1,190,040 vaccine doses and associated consumables with Timor-Leste, including 778,200 doses from Australian domestic supplies. As of August 2021, only 13.5 per cent of the population was fully vaccinated (two doses) against COVID-19, but by the end of the reporting period this had jumped to 74.9 per cent. Vaccinations for children aged 12-17 years were also introduced during this period, with 72 per cent of this age group fully vaccinated by the end of the reporting period. **Australia also supported people with disabilities to access vaccinations in municipalities with the lowest vaccine coverage** (Aileu, Ainaro and Ermera), providing transport or facilitating health staff to visit homes and provide vaccinations.

Australia's support to the Timor-Leste Government's COVID-19 response beyond vaccinations included **the provision of Personal Protective Equipment (PPE), medical supplies and training for critical care staff, as well as laboratory equipment in support of COVID-19 testing**. In addition, Australia's funding to the Indo-Pacific Sexual and Reproductive Health and Rights (SRHR)'s COVID-19 Response (C-Surge) enhanced access to quality family planning services for populations affected by the COVID-19 pandemic, including delivery of 25,945 sexual and reproductive health services to 26,389 clients in Timor-Leste in 2021-22. Australia also **supported the Government's dengue outbreak response**, providing operational supplies to health facilities, diagnostic equipment, reagents for laboratories and chemicals used for fogging operations that reduce mosquito populations. At the system level, Australia's **new \$30 million health program was launched on 16 May 2022**. Implemented in partnership with the Ministry of Health, the program is focused on strengthening the national health system and improving primary care in three municipalities. The systems strengthening component is focused on identifying and alleviating bottlenecks and addressing barriers to financial management that hamper quality service delivery. The primary healthcare component supports the delivery of the Government's **new Essential Services Package, which is targeted at family planning, maternal and child health and nutrition advice**.

Stability

Australia continued to provide **technical assistance and financial support for Timor-Leste's social protection systems**. In the reporting period, Australia worked with the Ministry of Social Solidarity and Inclusion to launch Bolsa da Mae – New Generation, which provides cash payments to pregnant women and children under three years old. In the two weeks between the launch on 17 June 2022 and the end of the reporting period, 3,854 women and children registered for support (including 335 pregnant women and 3,518 children) in the three pilot municipalities: Ainaro, Bobonaro and Oecusse. The program will also provide a top-up payment for children living with disability. Australian support also focused on building community resilience through vital community infrastructure and agriculture projects. **10,759 people participated in community-based decision making for vital community infrastructure projects including water pipes, irrigation systems and rural roads**. To improve rural communities' food security, Australian programs supported communities to adopt improved seed storage technology. The communities were overwhelmingly positive about the technology, as it allows for longer quality seed storage, and protects seeds from pests and disease. The **storage**



technology also enabled communities to continue food production in the next cropping season, reducing the need to purchase new seeds.

The Australian development program continues to support the security and stability of Timor-Leste through **assistance for Timor-Leste's National Police (PNTL)**. Following a request from the PNTL, Australia identified key systemic issues related to the use of force in policing and made policy, governance, training and accountability recommendations, which were successfully implemented. PNTL use of force activities now follow a contemporary human rights compliant model aligned with best practice. To further our gender equality agenda, Australia worked with the Timor-Leste Government and local NGOs to provide **8,645 specialist services to women and children experiencing violence**. Through Australian support, and partnerships with local NGOs, communities and activists were able to adapt and implement best practice social norms change, engaging 3,834 people in prevention activities. Australian support also enabled 16 feminist activists to take part in co-mentoring programs focussing on self and collective care.

Economic recovery

Australia's support for economic recovery has focused on building economic resilience by supporting improved public financial management, economic diversification and generating employment, including through investment in vital infrastructure.

Australia supports vital infrastructure in Timor-Leste. In 2022, Australia continued to support the Timor-Leste Government progress the Timor-Leste South Submarine Cable (TLSSC) through technical and advisory assistance. As **Timor-Leste's first international fibre optic cable connection, the TLSSC will provide faster and more reliable internet for Timor-Leste, crucial for economic productivity**. Australia continued to support the redevelopment of the President Nicolau Lobato International Airport through the Partnerships for Infrastructure program and the Australian Infrastructure Financing Facility for the Pacific. Support to date has included technical front-end feasibility and design work in preparation for finalising loan and grant agreements.

Australia's support for Timorese workers enabled **1,225 people, including seasonal workers and Australia Awards recipients, to access labour mobility opportunities in Australia** following the opening of Australian borders. Within Timor-Leste, Australia supported two coffee companies, KARST and Café Organiku Atsabe (COA), to establish **three new coffee wet mills and provide training to farmers on improved picking and processing techniques**. As a result of increased training and capacity, KARST and COA were able to buy an additional 195 tons of coffee cherries, resulting in additional green bean coffee exports valued at \$229,381. 360 farmers earned an additional \$29,381 by selling coffee at a premium price and 108 new jobs at wet mills generated \$62,629 in additional income. As borders started re-opening in 2022, Australia worked with partners in the tourism sector, including facilitating familiarisation trips for Australian travel writers and travel agents to Timor-Leste, **highlighting Timor-Leste as a tourist destination throughout Australia**. According to estimates, the trip generated the equivalent of \$1.2 million in media coverage, spread across national consumer media, Australia's premier travel publications and targeted Darwin media.

With Australian technical support, the **Timor-Leste Government progressed its accession to the World Trade Organisation (WTO), a key priority for the country**. Australian technical advice enabled improved coordination and consultation, increased civic engagement, and supported the development of critical legislation for Timor-Leste's accession to the WTO, which will significantly improve Timor-Leste's business enabling environment and open up new trade opportunities. Australian technical support also contributed to the preparation of the 2022 Budget, including the rationalisation of programs and the allocation and monitoring of funds for the COVID-19 response and recovery. Australia also finalised designs for flagship economic development programs in 2021-22, including in agriculture (TOMAK), governance (PROSIVU), scholarships (Australia Awards Timor-Leste) and market development (MDF).

ANNEX 1: PROGRESS AGAINST COVID-19 DEVELOPMENT RESPONSE PLAN RESULTS INDICATORS

Health Security

Key Results Indicators	Progress/Result
Examples of strengthened health systems, including preparedness for health emergencies	Australia is supporting the rollout of a medical supply stock management system in Timor-Leste. This included the delivery of training to 223 health managers, pharmacists, laboratory analysts and doctors working across the country and ensured a reliable supply of essential medical supplies and prevented wastage.
Number of health professionals (M/F) trained, including in COVID-19 response	Supported the training of 891 health professionals including 446 women and 229 men.
Number of client service visits for sexual and reproductive health and family planning (target 15,900)	Facilitated 10,682 client services visits for sexual and reproductive health services, including for 10,187 for women and 30 men. This target was not met due to impacts of COVID-19.
Contraceptive protection from unplanned pregnancies made available through Australian support ¹	Support for sexual and reproductive health services (as above) resulted in 26,601 Couple Years Protection (CYP). CYP is a measure that estimates the protection from pregnancy over a one-year period, based on the volume of all contraception provided.
Number of additional households accessing basic water and sanitation (target 10,000)	Supported 6,083 households to access basic water and sanitation. The target was not met as communities prioritised projects in other sectors this reporting period.
Examples of technical assistance strengthening the Timor-Leste Government's response to COVID-19 and other health security threats	Australia supported an Intensive Care Unit (ICU) specialist to train staff for COVID-19 isolation facilities in Dili, upskilling experienced nurses in critical care practices. This support ensured sufficient staff were available during periods of high COVID-19 case numbers.
Number of service delivery units (e.g. schools, health clinics) with improved water and sanitation	Progress not tracked as the focus of Australia's support for water and sanitation in Timor-Leste has shifted to the household level.
Examples of greater inclusion of nutrition in policies and programs	Australia provided funding and technical advice on the implementation of the Government's <i>Consolidated National Action Plan on Nutrition and Food Security</i> (CNAP-NFS), including through funding for a Special Representative and a Scaling-Up Nutrition (SUN) Secretariat within the Prime Minister's office to support coordination and engagement across line ministries.

Stability

Key Results Indicators	Progress/Result
Number of people (M/F and people with a disability) reached with new or improved social protection programs.	Significant work has been undertaken to launch a new social protection program, targeting pregnant women and children under three years old with universal monthly cash payments. In the two-week period since its launch on 17 June 2022 and the end of the reporting period, 3,854 women and children registered for support in the three pilot municipalities.

¹ Indicator added 2020-21.

Number of services provided to women and children experiencing violence (target 8,700)	Supported 8,645 women and child survivors of violence to receive services such as counselling.
Number of people reached by activities to prevent violence against women and children (target 1,100)	Reached 3,834 people with activities to prevent violence against women and children, including 2,396 and 1,438 men.
Number of people (M/F) trained in improved agricultural practices (target 3,300)	Supported the training of 5,460, including 1,406 women and 4,054 men.
Number of security and border officials (M/F) reached and trained in coordination, preparedness and response	Supported training for 364 security and border officials (including 94 women and 270 men) in coordination, preparedness and response.
Number of people (M/F) involved in community-based decision-making in local infrastructure (target 7,600)	Supported 10,759 people (including 6,497 women and 4,262 men) to be more involved in community-based decision-making.
Examples of strengthened governance systems (including in emergency preparedness and response)	Australia provided advisory support to the Timor-Leste Government to establish the National Agency for Planning, Monitoring and Evaluation (ANAPMA). ANAPMA enables high level coordination, an integrated approach to budget planning and will support improved resource allocation decision-making for the Timor-Leste Government.
Examples of policy and technical advice on building capacity for food security	Example not provided. Australia's food security program, TOMAK, was in a transition period (1 June 2021 – 30 June 2022) to a new phase and conducted mostly evaluative activities during the reporting period.

Economic Recovery

Key Results Indicators	Progress/Result
Number and total value (\$) of national infrastructure projects agreed with Government	The Australian Infrastructure Financing Facility for the Pacific (AIFFP) provided financing and advisory support for transformational infrastructure and is helping to deliver Timor-Leste's first undersea cable connection (the Timor-Leste South Submarine Cable) and critical components of the President Nicolau Lobato International Airport.
Examples of policy and technical advice on stimulus measures and longer-term economic recovery	The Timor-Leste Government progressed its accession to the WTO with Australian support. Australian advice enabled improved coordination and consultation across the 17 Timor-Leste Government agencies involved in the negotiation process, increased civic engagement through consultations with the private and civil sectors, and supported critical legislation for Timor-Leste's accession.
Number of households benefitting from improved local infrastructure (target 85,000)	Supported 49,325 households with improved local infrastructure.
Number of workers (M/F) accessing labour mobility opportunities in Australia (target 240)	Supported 1,225 workers to access labour mobility opportunities in Australia, including 343 women and 882 men.
Number of students (M/F) reached with improved teaching practices (target 72,000)	Supported 79,177 children (41,439 boys and 37,738 girls) through improved teaching practices.
Number of entrepreneurs (M/F) provided with financial and/or business development services (target 400)	Supported 691 entrepreneurs (65 women and 626 men) with business development services.



Number of people (M/F) assisted to gain recognised post-secondary qualifications	Supporter 134 people, including 104 women and 30 men to gain recognised post-secondary qualifications.
Value of additional market transactions (target USD1.4 million)	Supported market transactions valued at USD384,903 (AUD496,009).

ANNEX 2: INVESTMENT PERFORMANCE RATINGS

Investment Details	Year	Effectiveness	Efficiency	Gender Equality
Market Development Facility Investment duration: 2013-27; Budget: \$26.2m	2022	5	5	5
	2021	5	5	5
Nabilan (Ending Violence Against Women and Children) Investment duration: 2012-22; Budget: \$37.4m	2022	5	5	6
	2021	5	5	6
PARTISIPA (village development) Investment duration: 2009-30; Budget: \$85.6m	2022	5	5	4
	2021	6	6	5
Roads for Development – Support Program Investment duration: 2011-22; Budget: \$64.9m	2022	4	4	4
	2021	4	4	4
Partnership for Human Development Investment duration: 2015-26; Budget: \$219.1m	2022	4	5	4
	2021	5	5	4
Timor-Leste Police Development Program Investment duration: 2018-23; Budget: \$26.9m	2022	3	3	4
	2021	4	4	4

FINAL INVESTMENT PERFORMANCE RATINGS

Investment Details	Year	Effectiveness	Efficiency	Gender Equality
Governance for Development Investment duration: 2013-22; Budget: \$74.8m	2022 FIMR	4	4	4
	2021 IMR	4	4	5
TOMAK Phase 1 (agriculture) Investment duration: 2015-22; Budget: \$31.4m	2022 FIMR	4	4	4
	2021 IMR	4	4	5
Workforce Development Program Investment duration: 2014-22; Budget: \$22.1m	2022 FIMR	4	4	5
	2021 IMR	4	5	5
PNDS-SP (village development) Investment duration: 2012-21; Budget: \$67.2m	2022 FIMR	5	5	4
	2021 IMR	6	6	5

HUMANITARIAN INVESTMENT PERFORMANCE RATINGS

Investment Details	Year	Effectiveness	Efficiency	Gender Equality
Humanitarian Response – Floods/COVID-19 Investment duration: April 2021- June 2022; Budget: \$15.7m	2022 HIMR	4	4	3
	2021	n/a	n/a	n/a

Definitions of rating scale:

Satisfactory (4, 5 and 6)

6 = Very good; satisfies criteria in all areas.

5 = Good; satisfies criteria in almost all areas.

4 = Adequate; on balance, satisfies criteria; does not fail in any major area.

Less than satisfactory (1, 2 and 3)

3 = Less than adequate; on balance does not satisfy criteria and/or fails in at least one major area.

2 = Poor; does not satisfy criteria in major areas.

1 = Very poor; does not satisfy criteria in many major area.