



USAID
FROM THE AMERICAN PEOPLE

USAID TIMOR-LESTE SMALL GRANTS PROGRAM

FINAL REPORT

OCTOBER 2004–SEPTEMBER 2008

This publication was produced for review by the United States Agency for International Development. It was prepared by DAI.

USAID TIMOR-LESTE SMALL GRANTS PROGRAM

FINAL REPORT

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

CONTENTS

- EXECUTIVE SUMMARYVII**
- PROGRAM STRATEGY 1**
 - SGP CONTRACT BACKGROUND AND STRATEGIC EVOLUTION..... 1**
 - GRANT APPLICATION AND SELECTION PROCESS3**
 - SUCCESS THROUGH PARTNERSHIPS4**
 - SGP AS A MECHANISM FOR INNOVATION AND RESEARCH.....4**
 - PRIORITY ON INTERNAL CAPACITY BUILDING.....6**
- SGP GRANTMAKING WITHIN USAID’S OPERATIONAL PLAN9**
 - SUMMARY OF ACTIVITIES9**
 - USAID OBJECTIVE: ECONOMIC GROWTH 12**
 - Fostering a Positive Economic Environment..... 12
 - Enterprise and Entrepreneurship Development 14
 - Summary of Activities during the Final Reporting
Period..... 18
 - Enterprise Development..... 18
 - Entrepreneurship Development 19
 - USAID OBJECTIVE: GOVERNING JUSTLY AND
DEMOCRATICALLY20**
 - Government Service Delivery 21
 - Rule of Law 22
 - Elections and Local Government 22
 - Legal and Civic Education..... 23
 - Media and Public Information..... 24
 - Summary of Activities during the Final
Reporting Period 25
 - Civic Education 25
 - Public Information 25
 - USAID OBJECTIVE: INVESTING IN PEOPLE26**
 - Literacy and Numeracy 27
 - Health..... 27
 - Summary of Activities during the Final
Reporting Period 29

SPECIAL PROJECTS/HUMANITARIAN RELIEF.....	30
Summary of Activities during the Final Reporting Period	31
RESOURCE ORGANIZATIONS	31
PROGRAM STATISTICS	35
USAID OPERATIONAL PLAN INDICATOR DATA	35
DIRECT BENEFICIARIES	36
GRANTS MANAGEMENT	38
PROPOSAL STATISTICS.....	38
FINANCIAL AND PROCUREMENT ACTIONS.....	39
SHORT-TERM PROGRAMMATIC ASSISTANCE	39
CROSS CUTTING ISSUES.....	40
CONTRACT ISSUES	43
BUDGET REVISIONS AND MODIFICATIONS	43
ADMINISTRATION.....	45
STAFFING CHANGES.....	45
SHORT-TERM ADMINISTRATIVE AND MANAGEMENT ASSISTANCE	46
SECURITY AND EVACUATION.....	47
CLOSE-DOWN PROCESS.....	48
PROGRAM HIGHLIGHTS AND INFORMATION MANAGEMENT ..	49
PRINT NEWS.....	51
TELEVISION AND RADIO	51
NEW WEBSITE.....	52
OTHER INITIATIVES	52
PROJECT MANAGEMENT CHALLENGES.....	55
REFLECTIONS.....	55

ANNEX I	DAI-SGP GRANTS OVERVIEW.....	57
ANNEX II	DAI-SGP EXPENDITURE ANALYSIS	62
ANNEX III	DAI-SGP GRANTS AWARDED ANNUALLY (BY NUMBER).....	63
ANNEX IV	DAI-SGP GRANTS AWARDED SEMI-ANNUALLY (BY AMOUNT).....	64
ANNEX V	DAI-SGP GRANT DISBURSEMENT SEMI-ANNUALLY	65
ANNEX VI	DAI-SGP INVENTORY DISPOSITION SCHEDULE	66
ANNEX VII	DAI-SGP PROJECT MANAGEMENT CHALLENGES AND LESSONS LEARNED	78
ANNEX VIII	USAID INFORMATION OFFICE PRODUCTS (APRIL – AUGUST 2008).....	82

TABLES AND FIGURES AND CHARTS

TABLE

1	Proposals Received by Strategic Objective	38
2	Cumulative Grant Proposal Data	38
3	Reports Produced by STTA to the Small Grants Program	39
4	STTA to the Small Grants Program	46

FIGURE

2	SGP Final Year Strategy Map	3
3	SGP-Funded Initiatives that Were Continued with Funding from Other Donors.....	5
4	SGP-Funded Initiatives that Were Continued with Funding from the Government	5
5	SGP-Funded Initiatives that Continued on Their Own.....	6
6	Geographic Coverage of all SGP Grants (July 15, 2008).....	11
7	Geographic Coverage of Economic Growth Activities (July 15, 2008).....	13
8	Geographic Coverage of Governance Activities (July 15, 2008).....	21
9	Geographic Coverage of Literacy and Numeracy Activities (July 15, 2008).....	28
10	Geographic Coverage of Health Activities (July, 15 2008).....	29

CHART

1A	Number of Grants by USAID Objective	9
1B	Value of Grants by USAID Objective.....	10
1C	Percentage Allocation by USAID Objective.....	10
1D	Number of People Trained	11
2A	Direct Beneficiaries Across USAID Objectives.....	36
2B	Direct Beneficiaries in Youth Entrepreneurship.....	37
2C	Number of Proposals Received by Strategic Objective.....	37
3A	USAID Public Information Activities Statistics	49
3B	USAID/Timor-Leste Website Hits	50

EXECUTIVE SUMMARY

CONTEXTUAL HISTORY

Following closely on the heels of independence in 2002, the USAID Small Grants Program (SGP) navigated the challenges and complexities inherent to programming in a post-crisis environment as the new nation of Timor-Leste rebuilt from the events of 1999. During the life of the SGP project from October 2004 to September 2008, various events jarred the relative stability of the country and changed the situation on the ground, requiring quick changes from the Mission and SGP. As Timor-Leste saw its first successful local elections for suku (village) and aldeias (sub-village) leaders in 2004, it began to realize steps towards a strong emerging government. Formalized local leadership was paired with new patterns for economic growth and a desire to improve job prospects and encourage foreign and domestic investment to put money into people's pockets. Simultaneously, various partners worked to help the Ministry of Health and other development institutions improve the health of the population. The UN Mission drew down in marked periods through early 2006, while tensions mounted around fissures within the military and police. After Prime Minister Mari Alkatiri sacked one third of the army for abandoning their barracks, tensions continued to rise at the suspicion of regionalism and prejudice within these two institutions. Finally, tensions broke in April and May of 2006, with escalating violence that led to the withdrawal and evacuation of many internationals, including the SGP expatriate staff, and a security crisis not seen in Timor-Leste since the violence of 1999. An estimated 150,000 people, 15% of the population of almost one million, fled to IDP camps around the country.

As Timor-Leste received an influx of foreign security forces to help the State bring the security situation under control in mid-2006, various local groups took advantage of the instability and continued to cause trouble, targeting groups from the opposite side of the country and citing historical and regional grievances and prejudices. Communities were traumatized, civil society and other grantees and partners stopped many if not all activities, private sector and many government services were halted for a period of days to weeks to months. Prime Minister Alkatiri stepped down and then Foreign Minister Jose Ramos-Horta was appointed the interim Prime Minister. Youth unemployment and lack of information were cited as key conflict drivers¹ and helped foment some of USAID and the development community's concentration on programming in these areas following the crisis.

Following the changes in government and slow return to a more stable security situation under the foreign security forces at the end of 2006, there was a heavily increased international presence, both in terms of individuals as well as new agencies, NGOs and other development partners, especially to support the large number of IDPs and communities in crisis. The country prepared for Parliamentary and Presidential elections for the next year, hoping the elections could mobilize support for initiatives that would help meet citizens' demands and pave a way towards peace. The largely peaceful and internationally recognized presidential elections occurred in mid 2007, requiring a run off between Francisco Lu-Olo Guterres, the incumbent representative of the FRETILIN Party, and Jose Ramos-Horta, the Nobel Peace Prize Winner and independent candidate. Parliamentary elections saw 14 political parties vying for seats,

¹ Brady, C. and Timberman, D. (November 2006). The Crisis in Timor-Leste: Causes, Consequences and Options for Conflict Management and Mitigation. A report for USAID Timor-Leste based on a joint USAID-AusAID conflict vulnerability assessment.

and resulted in a Coalition Majority government (AMP – Majority Parliamentary Alliance) between four parties. FRETILIN stood in opposition with various smaller parties and the first elected Parliament stood to take their seats in August 2007.

The AMP faced many challenges due to the tension around the formation of the new government. The AMP was tasked with delivery against a low Republica Democratica de Timor-Leste (RDTL) expenditure record under the previous year 2006-2007 and focused on necessary expenditures in the last part of 2007 and 2008. Key initiatives focused on veterans, IDPs, youth and other critical issues. In February 2008, the nation was shocked by the assassination attempts against the President and Prime Minister, resulting in severe gunshot injuries to the President. Despite the crisis and resulting national curfew that extended emergency powers for a period of 10.5 weeks throughout Timor-Leste, many activities continued to be implemented and the country lent its support to the recovering President, who soon returned to his leadership role.

At the time of this reporting, Timor-Leste faces a new series of challenges. Due to some of the foundations laid by the Timor-Leste Small Grants Program, we believe many of our local partners and counterparts will have new tools to help assist Timor-Leste in its development in the future.

REPORT SUMMARY

This final report represents the work of four years and more than 65 staff members over the life of the program. The structure of the report is laid out within the table of contents and mirrors closely all other semi-annual reports for the program since 2004.

The Small Grants Program (SGP) was designed as a flexible and increasingly strategic program to support the USAID Timor-Leste Mission Objectives for 2005-2009. DAI managed programming with local partners to support communities, organizations, and government in their efforts to build a stable, economically robust, democratic country through USAID's three strategic objectives: expanding economic growth, supporting good governance, and improving the health of Timor-Leste's people. With focused grant making and management, DAI helped build capacity in Timor-Leste's young government and its nongovernmental community by providing selected communities, organizations, businesses and government offices with vital services and supplies, such as targeted training, organizational assistance and equipment.

The \$13.4 million, four year technical assistance and grants program relied on its strategic vision and an integrated approach to adapt to the social and political dynamics of Timor-Leste's post-conflict development and assist in identifying, testing, and opening up new focus areas for USAID. Economic growth grants focused on building foundations for entrepreneurship and business success while democracy and governance assistance supported efforts to disseminate information that fosters a more informed and civically active public throughout the country. SGP's health programming worked in conjunction with other USAID partner programs and supported direct nutrition education campaigns and other key initiatives. Carefully planned grant awards have generated new opportunities for USAID's long-term investment in several areas, including microfinance, land tenure, agricultural school linkages to agribusinesses and internship programs for young people. The program coordinated extensively with local and national government as well as the key development stakeholders working in similar areas across the country.

SGP's approach was to 1) identify strategic opportunities with local partners and help transform grantee or partner ideas into practical activities and 2) filter the large number of grant proposals through a streamlined and simplified system of review. In some cases, SGP's grants and program specialists helped the grantees further develop their projects once an idea generated initial interest. This approach increased access to funding for populations that had not received USAID or donor support in the past, allowing more non traditional actors like small businesses and cooperatives to realize their goals and make durable contributions to their communities. Interspersed throughout the report are text boxes that illustrate some of the voices of our beneficiaries and grantee partners in response to questions about how SGP contributed to or assisted their efforts and what kind of difference the project made.

SGP management involved a large amount of expatriate and Timorese human resources and demanded quick action and creative problem solving as the program changed and adapted over time. In addition, contractual and administration needs were intense under this largely in-kind grants mechanism where SGP acted as the international and domestic procurement instrument for our local partners. SGP's Information Office helped disseminate information about SGP's successes and partner initiatives while it worked to support the USAID Mission and U.S. Embassy public outreach and communication needs.

As with any project working in and adapting to a post-crisis and transitional environment, SGP management and staff identified numerous lessons learned and challenges, which may be useful for other Timor-Leste partners and future post-crisis grant programs operating in similar environments. Ultimately, SGP hopes that grantees and partners will build upon the initial successes of the unique activities piloted during the last four years to create an enduring legacy for USAID and SGP in the next chapter of the nation's history.

PROGRAM STRATEGY

SGP CONTRACT BACKGROUND AND STRATEGIC EVOLUTION

On September 29, 2004, Development Alternatives Inc. (DAI) was awarded the SWIFT II East Timor Small Grants Program (SGP) contract DOT-I-00-03-00004, task order 801. The contract was initially awarded for two years, from October 1, 2004 until September 30, 2006, but in August 2006 was extended for two additional years until September 30, 2008.

Prior to SGP, DAI had implemented a previous grants program contract, the East Timor Program Support Initiative (PSI), which supported USAID's two Strategic Objectives at the time: Democracy and Governance and Economic Growth. With a long-standing presence on the ground, DAI implemented the transition between PSI and SGP immediately and seamlessly.

The main function of the SGP Task Order was to support the implementation of the USAID East Timor Country Strategy for 2005-2009. SGP was designed as a flexible mechanism that could exploit opportunities as they arose in meeting the mission's strategic objectives:

- Strategic Objective 1: Accelerated Economic Growth
- Strategic Objective 2: Key Foundations for Good Governance Strengthened
- Strategic Objective 3: Improved Health of the Timorese People

It was under this broad mandate that SGP began awarding grants to communities, organizations, businesses, and government, providing vital services, supplies and equipment needed to support their efforts in building a stable, economically robust, democratic country.

Unlike previous OTI and USAID interventions under similar grant-making mechanisms, grant-making under this Task Order was envisioned to be more strategic, complementary to the Country Strategy objectives, and more selective in the quantity and quality of organizations that it chose to support. In its first year, SGP continuously worked to refine and focus its strategy and, by year's end had developed a series of 14 strategic focus areas under USAID's first two strategic objectives:

- **Strategic Focus Areas under SO1:** Literacy and Numeracy, Business and Entrepreneurship Education, Agricultural Education, Environmental Education, Microfinance, Youth Pilot Programs, Agriculture, and Private Sector Development.
- **Strategic Focus Areas under SO2:** Elections and Local Government, Public Information, Oversight Institutions, Government Service Delivery, and Legal Education.

At the time, no specific strategic focus areas were defined under SO3 for health.

In mid-2006, USAID/Timor-Leste introduced the new USAID/State Foreign Assistance Framework and Operational Plan. As a result, SGP's grant activities no longer reported to the Mission's Strategic Objectives as outlined in the USAID/Timor-Leste Operational Plan for 2005-2009, but rather fall within three of the five Objectives outlined in the USAID/State Framework:

- Economic Growth

- Governing Justly and Democratically and
- Investing in People.

SGP continued to target grant assistance through strategic focus areas and took this opportunity to further refine its strategy by reducing the number of focus areas from fourteen to nine based on its experience at the time. To maintain continuity in reporting programmatic and financial data, SGP adapted its strategic framework to fit within the new USAID/State Framework. The following figure illustrates how SGP’s grants were re-categorized and includes the refined set of strategic focus areas.

FIGURE 1: MAP OF SGP ADAPTATION TO NEW USAID/STATE OPERATIONAL PLAN

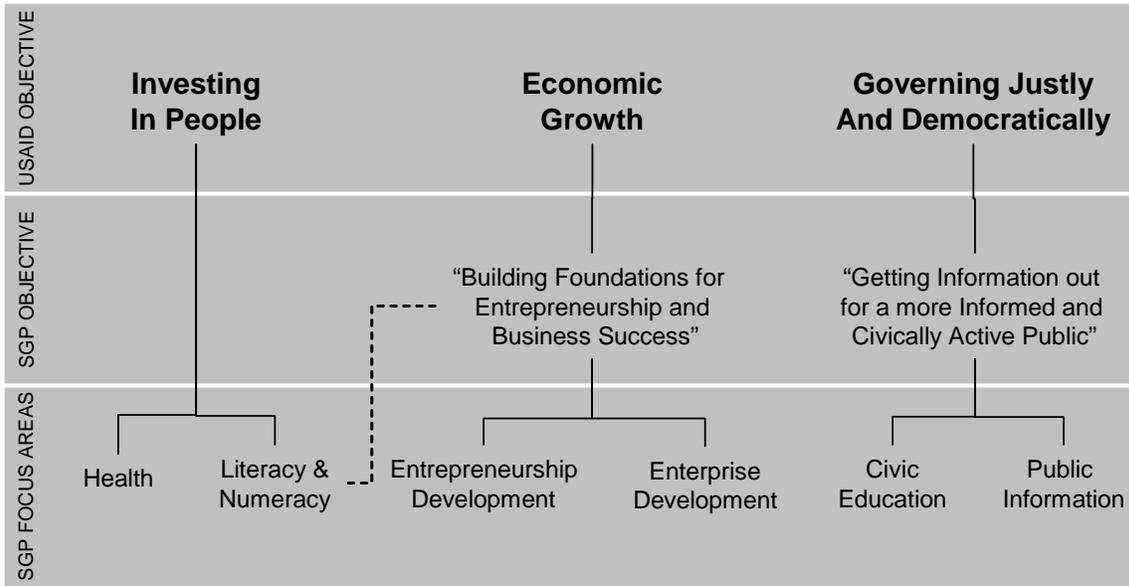
Old Timor-Leste Small Grants Program Strategic Framework (Based on USAID/TL Mission's Strategic Plan)		New Timor-Leste Small Grants Program Strategic Framework (Based on USAID/State Operational Plan)	
USAID/TL Strategic Objective	SGP Strategic Focus Area	SGP Strategic Focus Area	USAID/State Objective
Key Foundations of Good Governance Strengthened	Government Service Delivery	Government Service Delivery	Governing Justly and Democratically
	Elections & Local Government		
	Oversight Institutions		
	Legal Education	Civic Education	
	Public Information	Public Information (Media) Public Information (Government)	
Accelerated Economic Growth	Private Sector Development	Private Sector Development	Economic Growth
	Microfinance		
	Business & Entrepreneurship Education		
	Youth Pilot Programs	Youth Programs, Entrepreneurship Education	
	Agriculture		
	Agriculture Education		
Literacy & Numeracy	Literacy & Numeracy	Investing in People	
Health	Nutrition Education Other Health		
N/A	Special Projects	Special Projects	N/A

Effective Date for New Operational Plan: 30 September 2006

In August 2007, SGP held a strategic planning session to evaluate and refocus priorities ahead of its final year. This led to a final year strategy of focusing on just six strategic focus areas, as shown in the diagram below.

While the strategy was revised and refined a number of times, SGP’s grant-making was guided by a few primary principles. With a view toward longer term development, SGP favored practical training and education initiatives that helped to address the low literacy rate in the country, high unemployment, and the technical and material needs of schools and training institutions. SGP was also cognizant of the geographic distribution of its grant activities, and supported a variety of rural and urban activities in all 13 districts (see Figure 6). Finally, improving access to information was a central guiding principal, and SGP strove to incorporate public information components into grants when possible, and publicize grantee activities whenever appropriate.

FIGURE 2: SGP FINAL YEAR STRATEGY MAP



GRANT APPLICATION AND SELECTION PROCESS

SGP utilized its “Program Summary and Proposal Guidelines” document as the primary means of communicating to the public what its objectives were and how to apply for SGP support. The Program Summary outlined SGP’s strategy and the types of proposals it was seeking. This was updated regularly as the strategy evolved. The Proposal Guidelines outlined what information was required in proposals from prospective grantees. In addition to basic administrative data, applicants were to include a justification, expected results and impact, implementation plans, estimates of beneficiaries, other financial contributions, grantee cost sharing, and a complete detailed budget for the proposed project.

Each grant proposal was evaluated against a simple set of criteria. Awarded grants were to 1) fit within USAID’s Objectives and Sub-Elements and the SGP Strategic Focus Areas, 2) budgets were to be cost effective, 3) implementation timelines were to be realistic, and 4) the implementing organization must have had the capacity and experience to manage the proposed project. SGP’s program staff would conduct a first round of proposal review to identify proposals that met most, if not all, of the evaluation criteria. Proposals were then reviewed with USAID’s technical teams to discuss each proposal, make suggestions for improvement, and agree upon which proposals would be developed into grants and which would be rejected. The process of internal and USAID review to select proposals for funding generally took one month.

Once a proposal was selected for award, SGP worked closely with applicants to strengthen the proposed grant, suggest programmatic modifications, address clarification questions, and negotiate the final budget. As SGP’s grant making became more focused and strategic, the process of proposal development expectedly became more labor intensive and time consuming. However, such close

collaboration with grantees helped SGP to better set expectations ahead of grant award and served as a mechanism for organizational capacity development, especially with less experienced organizations.

SUCCESS THROUGH PARTNERSHIPS

As per the contract arrangement, SGP began with a broader mandate to serve the three USAID Objectives and worked with USAID to slowly sharpen the focus and program grants more strategically over time. This led to a more creative and innovative use of grants funding and greater possibilities to learn from some of the lessons of past small grants programs. These lessons were applied in the design of technical assistance and funding longer term grants (up to 18 months), as well as managing clusters of grants with a variety of local partners to help achieve common sub-objectives.

Certain partners moved from grantees to qualifying as service providers, especially in the areas of training and capacity building. The East Timor Development Agency started as a grantee partner as they grew and expanded services over time to reach their unemployed clients as well as those seeking additional professional training services. Over time, they became a trusted partner that delivered good products and often won bids to provide services on behalf of grantees. This service provision partnership is a natural transition as local organizations take on more responsibility and achieve larger goals over time.

Other grantees also moved into the category of service provision as they continued to perfect their crafts, including basic financial training partner Fundacao Caminho, video production house CAMS-TL, and media development center TLMDC. These organizations demonstrate how partnerships through continued small grants assistance can develop the technical capacity and professionalism of an organization to provide services on a fee basis. SGP's Resource Organization (RO) initiative was also founded on this understanding, and was established to help selected organizations become more capable service providers and continue the legacy of SGP.

Over time, SGP found particular success with certain local partners and funded a series of grants after successful completion of a project activity. This allowed for some sustainability in funding, but was not enough to foster a completely sustainable funding environment for the NGO or local partner, as is the function of longer term organizational development (OD) support. As per the finding in the SGP Final Evaluation, the evaluators recommended funding OD support through a longer term mechanism that has a longer mandate. SGP adds that OD funding can be a part of grant funding, and especially in the donor and development environment in 2008, is critical to helping some of the local partners take steps toward longer term focused activities. In 2008, many local partners remarked that they currently manage project based initiatives only and were often unable to secure longer term operational or organizational development funding. SGP recommends operational support should be made available due to increased demand from local institutions and the decrease in supply for this kind of funding from Timor-Leste's donors.

SGP AS A MECHANISM FOR INNOVATION AND RESEARCH

Over time, SGP has been able to pilot a variety of initiatives, both through grant funding as well as technical assistance for the design of outside initiatives. The following three charts show SGP funded initiatives that led to longer term sustained programs, funded either by other donors, the Government, or through an organization's own initiative.

FIGURE 3: SGP-FUNDED INITIATIVES THAT WERE CONTINUED WITH FUNDING FROM OTHER DONORS

SGP-Funded Initiative		Sustained Program
Grant to CRS for Candlenut Feasibility Study	→	USAID/CRS Candlenut Project
Grants for Legal Aid Internship Programs	→	USAID/TAF Internship Program
Grants for SGP Youth Pilot Programs and Youth Employment Program Design Consultancy	→	USAID/EDC JOBS Opportunities/PAS
Grant to DNTP for GIS and Technical Assistance	→	USAID/ARD Land Law Project “Ita Nia Rai”
Consultancies for Agricultural Options Report and Agricultural Schools Needs Assessment Report	→	USAID/Land o’ Lakes BACET project.
Grant to Rede Feto for the first ever Local Products Campaign	→	Local products campaigns by DSP, PDT, and Office of the President
Grant to STAE for the first round of suku elections	→	Continued support for following rounds of local government elections by UNDP, AUSAID, and the Embassy of Japan
Grant to CARE International for Peace and Civic Education Program	→	UNDP and GoTL
<i>Grants for Hospitality Internship Program</i>	→	<i>USAID/DSP considering expanded Internship Program.</i>
<i>Grants to Junior Achievement for piloting primary school business education program</i>	→	<i>Government considering funding. Funding by USAID/DSP, other donors and private sector possible.</i>

FIGURE 4: SGP-FUNDED INITIATIVES THAT WERE CONTINUED WITH FUNDING FROM THE GOVERNMENT

SGP-Funded Initiative		Sustained Program
Grants to support the Government Information Office	→	GIO Supported in 2008 Government Budget picked up by council of ministers
Grant for CARE International Supplementary Feeding Program	→	Ministry of Health Supplementary Feeding Program
Grant to Sharis Haburas Comunidade to pilot Primary School Nutrition Education curriculum	→	Ministry of Health expansion of pilot to other schools
Grant to support start-up of CNE	→	CNE management of 2007 parliamentary and presidential elections

FIGURE 5: SGP-FUNDED INITIATIVES THAT CONTINUED ON THEIR OWN

SGP-Funded Initiative		Sustained Program
Grant to CRS for Candlenut Feasibility Study	→	ACELDA Exporting Operations to USA
Grant for attendance at women's APEC Conference	→	Formation of the Women's Business Association
Grant to support the Microfinance Working Group and consultancy for the Second Tier MF Survey	→	Formation AMFITL Moris Rasik Self Sufficiency IMFTL started process to become State owned bank

The SGP Final Evaluation remarked that many of the initiatives that were pilot tested under the contract were appropriate uses of small grants funding, and capitalized on the speed and ease by which a grant can be issued under the flexible mechanism². The report remarked that SGP could have gained even more from these initiatives if evaluations like the Literacy and Numeracy Evaluation in 2007 or the Hospitality Internship Evaluation in 2008 had been done for each pilot activity. SGP recommends future grants initiatives build this internal evaluation capability into programs to ensure maximum impact and sustainability.

PRIORITY ON INTERNAL CAPACITY BUILDING

Since the transition from the PSI contract in 2004, SGP has highly valued and prioritized helping to support national staff's move into positions with increased responsibility and accountability. The expatriate staff of three was envisioned to help oversee the functions within the office and act as advisors to the local staff that held key roles in grants management, financial management, program development and logistics and administration. Over time, the need for an additional administration and procurement manager led to the creation of an additional expatriate role, the Administration and Procurement Manager. This role was envisioned to help train the procurement and administration leads, respectively, over the life of the contract and then lead to a transition to national staff management of these roles in the last six months of the contract. Due to expatriate staffing changes in early 2007, the expatriate roles were also shifted slightly to respond to program development needs and the expatriate Program Development Manager was created, maintaining a team of four expatriates. This design allowed for an average 5.75:1 ratio of national to expatriate staff.

Over the four years of the contract, many national staff achieved their goals in their roles as defined in the proposal and were able to take on more responsibility and then qualify for a promotion to another role on the project. Twelve people were promoted over the life of the contract, four of whom were promoted twice, many to more senior management level positions such as Operations and Procurement Manager and Senior Grants Manager. In addition, certain team members made lateral moves to learn new skill sets while continuing to support the implementation of SGP. Others also stepped in to the expatriate manager roles when the expatriate team was evacuated in 2006 as well as numerous times during 2007 as management needs arose. Promotion and challenge served the expatriate management team very well and the national staff remarked that they felt this priority on

² Horn, N., Sheehan, N. and Hertz, J. (May 2008). Final Evaluation Report, USAID Small Grants Program.

internal capacity building helped them to build their skills as well as learn by doing in many high pressure and high visibility situations.

Some lessons learned during the life of the project pointed to a desire from national staff to have a more defined professional development strategy that included overseas training whenever possible. This should be considered in future programs due to some of the challenges in finding relevant training for certain professional needs in country. SGP also recommends designing professional exchanges with other projects in the region to help staff get access and exposure to techniques and processes in other countries.

SGP GRANTMAKING WITHIN USAID'S OPERATIONAL PLAN

SUMMARY OF ACTIVITIES

Since 2004, SGP awarded a total of 222 grants with a total value of \$6,534,517. Eighty grants valued at \$2,711,110 supported USAID's Economic Growth objective; 87 grants valued at \$2,208,864 supported the Governing Justly and Democratically objective; 51 grants valued at \$1,500,523 supported the Investing in People objective; and 4 grants valued \$114,020 were awarded for Special Projects that fell outside of USAID's strategic objectives. Detailed project financial data can be found in Annexes I through V.

In the period from April through September 2008, a total of 43 grants were active. With just four new grants awarded during this time, the vast majority were continued from the previous reporting period. Most grants were closed by the end of June, with a small number extended to close in July. The reporting period saw the end of some of SGP's most successful and high profile grants, including a hospitality and tourism internship program, the rehabilitation and reopening of the Dili Tais Market and Ulmera Beach in Liquica, the production of an educational documentary about the Timorese National Parliament, and SGP's Resource Organization initiative.

Charts 1A through 1C show the distribution of grants and grant funding and Chart 1D show the number of people trained from October 1, 2004 – September 30, 2008 across USAID's objectives. The charts are followed by Figure 6, which shows the geographic distribution of all SGP activities.

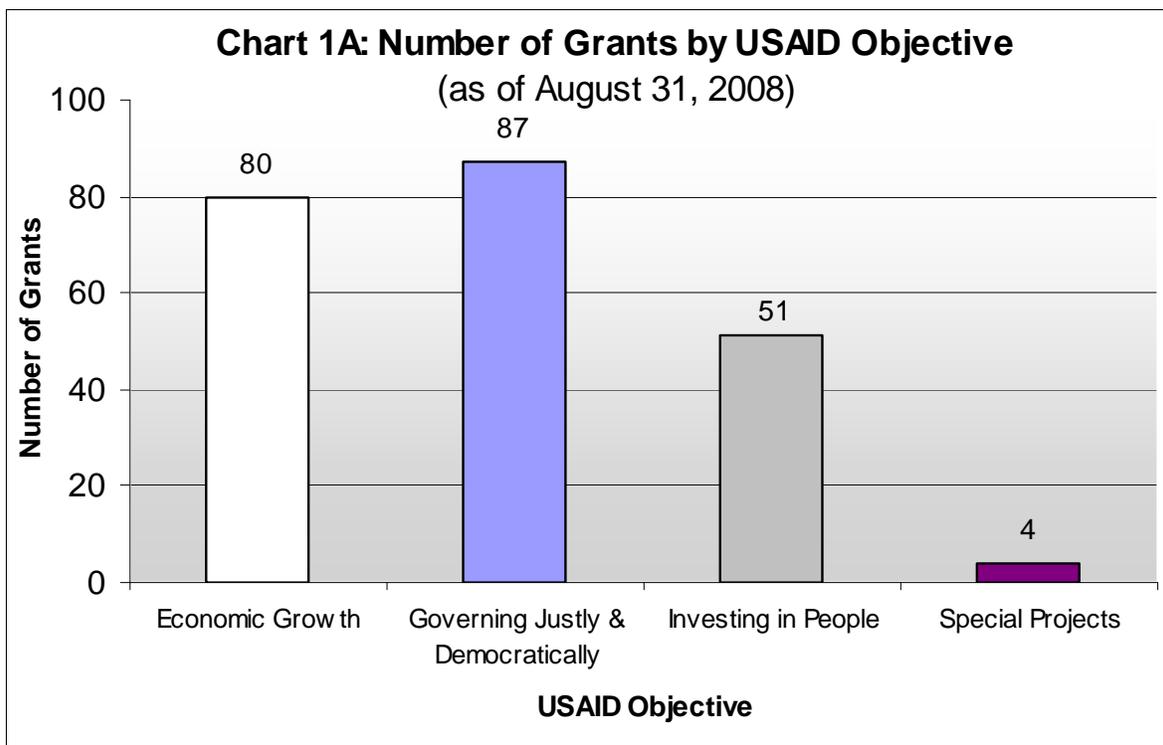


Chart 1B: Value of Grants by USAID Objective
(as of August 31, 2008)

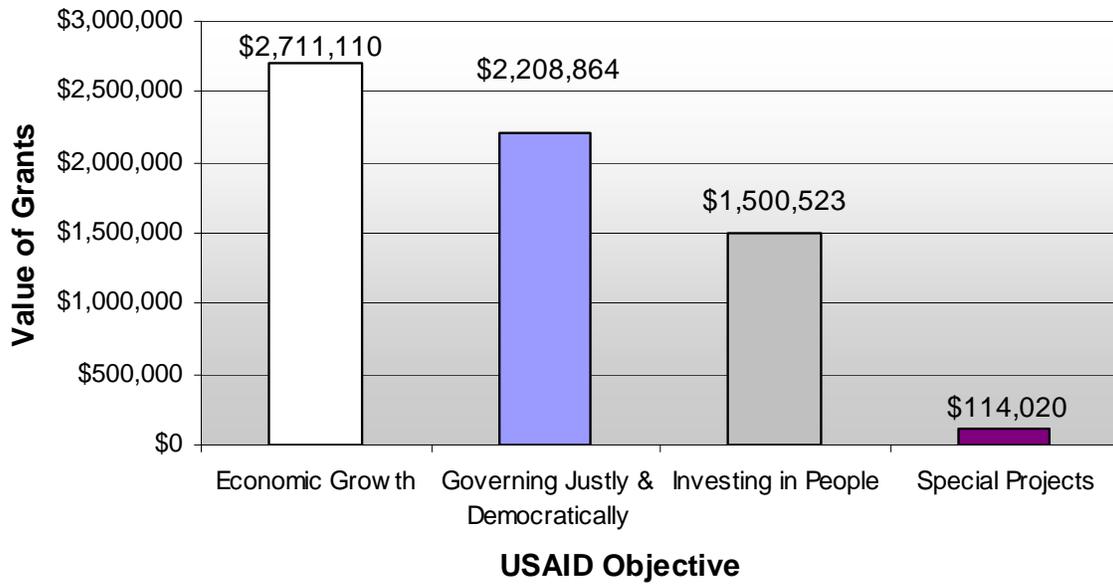
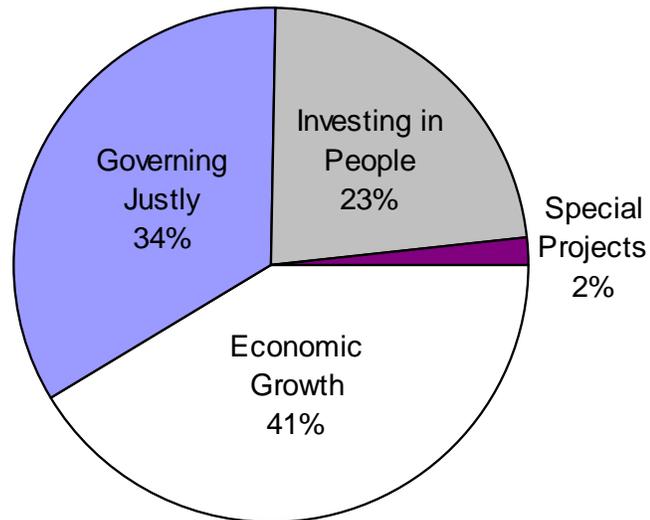
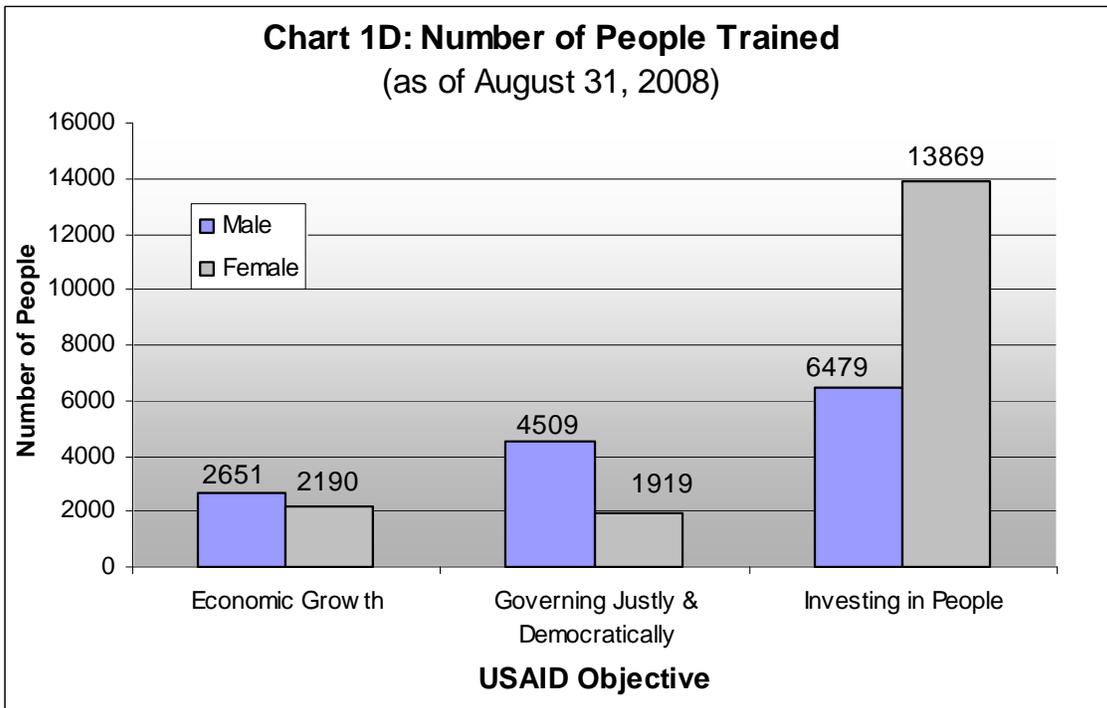


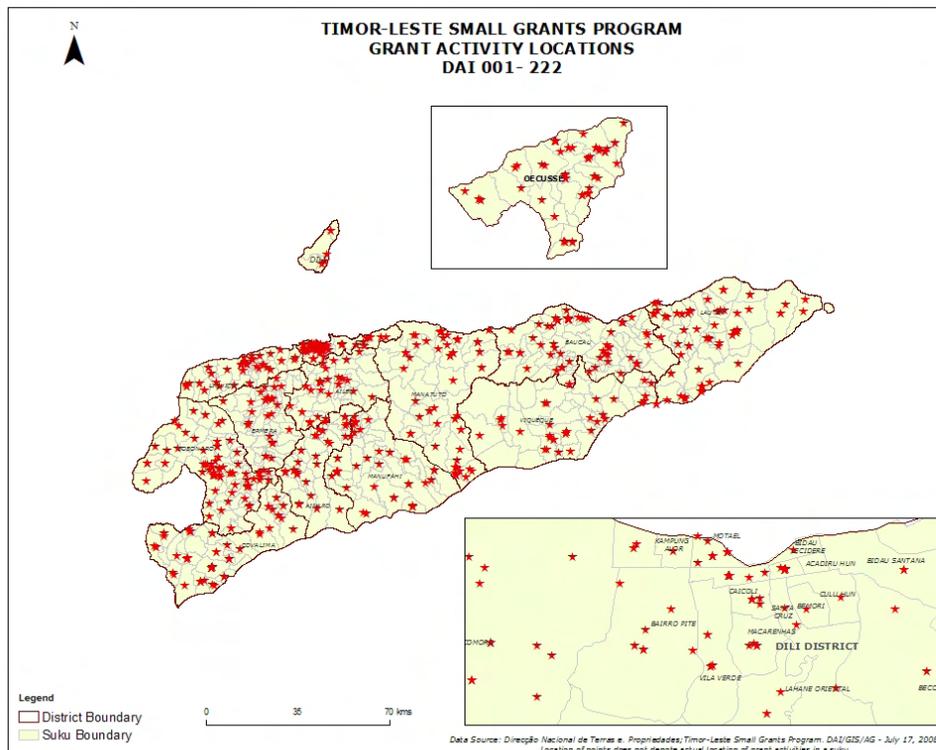
Chart 1C Percentage Allocation by USAID Objective
(as of August 31, 2008)





Note: Charts above show total grant expenditures and numbers since October 2004.

FIGURE 6: GEOGRAPHIC COVERAGE OF ALL SGP GRANTS (JULY 15, 2008)



Note: Each grant may have more than one grant activity

USAID OBJECTIVE: ECONOMIC GROWTH

Over the life of the project, SGP's strategic focus areas under USAID's "Economic Growth" objective were revised and refined a number of times. However, these grants can broadly be categorized in the following two areas: (i) initiatives that fostered a positive economic policy environment, and (ii) activities that promoted enterprise and entrepreneurship development. Funding was disbursed for a variety of activities that helped partners to attract foreign direct investment, expand micro-lending throughout the country, strengthen agricultural value chains, encourage entrepreneurial thinking and build technical skills among youth. As shown in Figure 7, Economic Growth grant activities had wide geographic reach, covering all 13 districts.

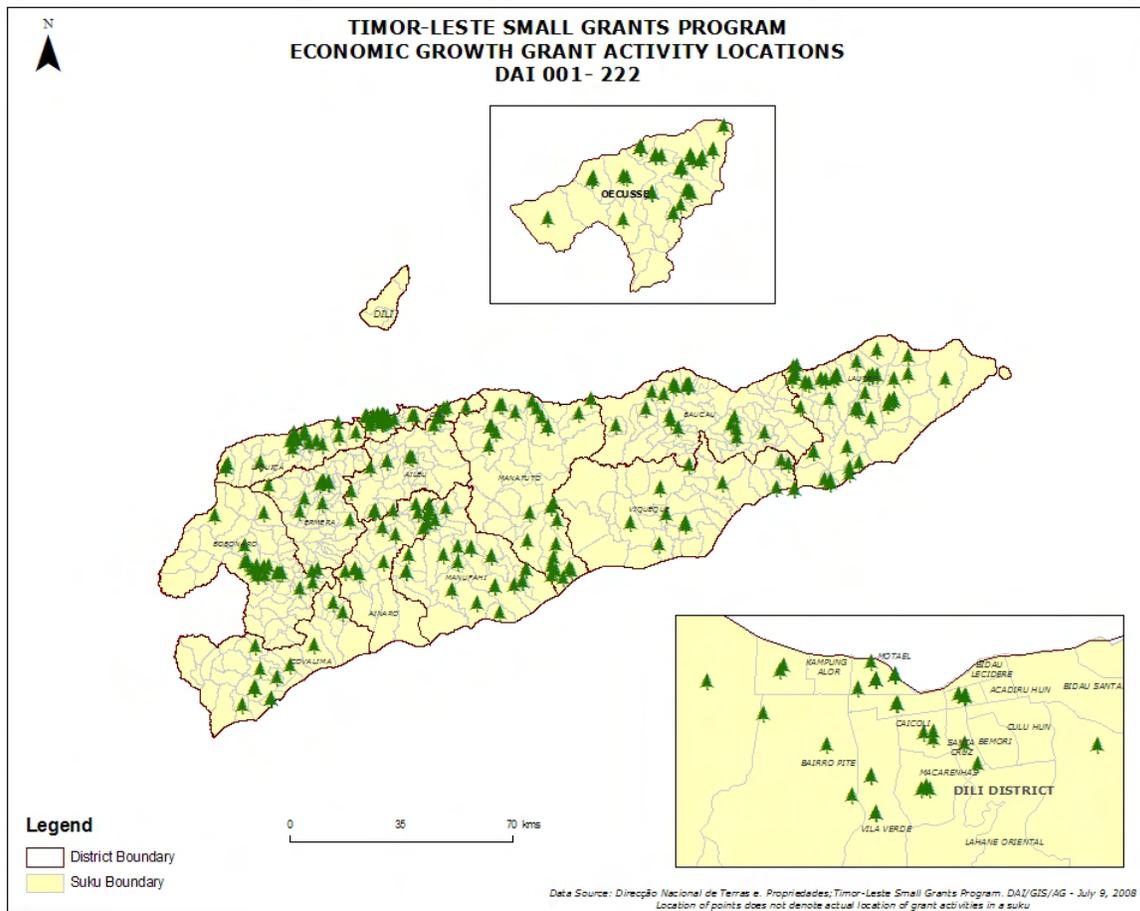
FOSTERING A POSITIVE ECONOMIC ENVIRONMENT

In its first two years of operation, SGP supported a number of initiatives to improve the GoTL's capacity to foster a positive economic environment. SGP sponsored feasibility studies to assess prospects for expanding the candlenut oil and marine aquaculture industries. The candlenut study has since informed a number of donor and private sector investments in developing the candlenut industry. SGP also supported a number of study tours, trainings, and workshops to build capacity and broaden the exposure of government policy makers. These included a visit to the American Chamber of Commerce in Indonesia by members of the Ministry of Tourism, sponsorship of a trade policy workshop by members of the Secretary of State for Commerce and Industry, attendance of a CGAP/UNCDF microfinance training for policy makers by the Vice Minister of Development, and a study tour to Cape Verde on investment and export promotion by members of 10 government offices. SGP also supported critical efforts to finalize the disputed borders between Timor-Leste and Indonesian West Timor through two grants to the Ministry of Foreign Affairs, at present 99% of the border demarcation has been finalized. Finally, SGP supported efforts to promote foreign direct investment by funding the work of the Chief Executive for the Investment and Export Promotion Agency.

From 2007-2008, after the release of government spending figures showing just 80% execution of the 2006 national budget³, SGP made a decision to limit direct support to government offices, in an effort to promote greater government ownership and accountability for its own initiatives and improve its budget execution capacity. SGP shifted support toward organizations and associations that could lobby the government on policy matters.

³ Relatorio Financeiro Anual & Contas, Ano Fiscal 2006-2007, Ministerio das Financas Direccao Nacional do Tesouro, p. 7.

**FIGURE 7: GEOGRAPHIC COVERAGE OF ECONOMIC GROWTH ACTIVITIES
(JULY 15, 2008)**



Grants were awarded to the Timor-Leste Business Forum to establish an office and begin high-level talks with government entities on issues related to improving the business environment; to the Accounting Association of Timor-Leste to establish an accountancy training program and begin taking steps toward awarding internationally recognized accounting certificates; to TradeInvest Timor-Leste which sent two female business leaders to the Asia Pacific Economic Cooperation Women Leaders Network Meeting and led to the formation of the Timor-Leste Women’s Business Association; and to Rede Feto, a local NGO that carried out a local product promotion campaign and lobbied the government for support and favorable policies that promote local products.

ENTERPRISE AND ENTREPRENEURSHIP DEVELOPMENT

Financial Services

In its first two years of operation, SGP invested heavily in support of the microfinance sector; co-funding the 2005 Microfinance Supply Assessment by Catholic Relief Services (CRS) and the Association of Microfinance Institutions in Timor-Leste (AMFITL) and providing direct operational and capacity building support to two of Timor-Leste's leading microfinance institutions: Tuba Rai Metin (TRM) through a grant to CRS and Moris Rasik (MR). SGP also invested in AMFITL to organize training activities for its members, monitor industry statistics, and advocate on policy matters that affected the industry.

The May 2006 crisis led to a major contraction of the microfinance sector; with five MFIs ceasing operations after suffering heavy losses, leaving just three institutions providing financial services for the poor and the middle class. CRS ceased its microfinance operations and withdrew support to TRM – an institution it had supported since its inception – leaving TRM to continue operations without any international assistance. By early 2008, with so few microfinance providers active, AMFITL, which had received operational support from SGP since early 2006, closed its grant four months ahead of schedule due to an inability to meet its targets for collection of membership dues or maintain sustainable operational costs.

Moris Rasik, which was affected by the crisis, managed to limit its losses and continue growth; SGP's final grant to Moris Rasik resulted in the successful expansion of services to three eastern districts. The organization is now delivering financial services to over 12,000 clients in 11 districts, and maintains a total portfolio outstanding of nearly \$2.8 Million. The Asian Development Bank-supported Instituicao de Microfinancas de Timor-Leste (IMfTL) also managed to survive the 2006 crisis primarily because of its heavy reliance on less risky salary loans to civil servants. "IMfTL is now in the process of transitioning into the country's first domestic commercial bank. The MOU between the Government and involved parties paved the way forward to help reposition IMfTL to become a small, sustainable and private sector-oriented commercial bank, allowing the bank to deliver improved access to financial services for both urban and rural populations"⁴ through technology such as smart cards and mobile phone banking. Starting in 2005, IMfTL was one of the members of the Association of Microfinance Institutions in Timor-Leste (AMFITL) and was able to get access to a variety of training options on Delinquency Management, Interest Rate Setting, and Operational Risk Management to help build the institution's skills over time.

Feedback – Why does SGP support matter?

"Without SGP support, the expansion for Moris Rasik would have been slower... The opening of new branches extended access to credit and savings services to a large number of poor rural households. The impact on women clients includes expanding business or starting new business and therefore increasing earnings and family income and building assets. Because the increased earnings are in the hands of women there is an impact on the welfare in the household - better food, food security, health care and keeping children in school for longer... SGP is quite speedy compared to other donors and is a long lasting program with qualified staff".

- Helen Todd, Director of Moris Rasik

⁴ <http://www.pacificmagazine.net/news/2008/07/03/adb-timor-leste-partner-on-first-domestic-commercial-bank>.

Private Enterprise Support

SGP provided a very limited number of grants directly to private businesses. An early grant to Winrock International to conduct a snow pea production and marketing trial for export to Australia did not meet many of its objectives due to difficulties in obtaining required phytosanitary certificates for export and poor coordination with local farmers about natural resource usage and payment for labor. These early lessons learned highlighted the importance of working with well established businesses that maintain good relationships with existing producer groups and supply reliable markets. In addition, lessons learned from this grant helped SGP to favor organizations that were based in Timor-Leste rather than those working remotely who may not be able to maintain sufficient remote management due to the communication, infrastructure and human resource conditions in Timor-Leste.

From that point forward, SGP only worked with such established businesses and maintained a policy to not support start-up costs for new enterprises. SGP's work with the candlenut oil production company, Acelda; the furniture manufacturing plant, PB Mobiliario, and the local vegetable wholesaler, Zero Star, are all examples of how targeted material and technical assistance, when coupled with significant co-funding from the business itself and/or other institutions, can result in significant benefits for the business, its employees, and community members that serve as suppliers. For example, as of mid-September, Acelda will have shipped two containers (at 50 barrels/container) of candlenut oil to Hawaii. An order for a third shipment from Oils of Aloha is anticipated by the end of September. This will bring the total purchase value of all oil shipped to Hawaii to \$72,400 and all oil ordered by Oils of Aloha during 2008 to \$108,600. During this same period, Acelda purchased more than \$73,000 worth of candlenut for oil production and candlenut export. Approximately 37 tons of candlenut were used to produce the oil; approximately 135 tons of candlenut were exported as kernels. The total of 172 tons is approximately 57% of the estimated total available annual output of candlenut (300 tons) in the Baucau area. Zero Star has a similar story to tell. From April to December 2007, Zero Star realized revenues of \$11,815, or approximately \$1312 per month. Between April and June 2008 alone, Zero Star grossed \$7000 in revenues, or approximately \$2333 per month, representing an increase of almost 78%.

Feedback – Why does SGP support matter?

"With SGP assistance such as the truck and cold storage facilities, my business has already become 75% more effective. I have been able to service supermarket requests that were previously fulfilled by imported produce rather than local. I wouldn't have been able to do this myself, even in 4-5 years' time, without SGP support. This assistance has also already changed the thinking of farmers who traditionally planted whatever they wanted to now plant what the market demands. SGP's provision of a greenhouse became a reality (for us): without this support, such a facility was just a dream."

– Komar Mendonca, Director of Zero Star

In SGP's final year, grants were awarded for a number of short-term initiatives to promote local products and support small scale enterprise development. A grant to the Aloha Foundation helped local *tais*⁵ weavers diversify their products and sell nearly \$10,000 worth of local products at a Christmas Fair that will now be held annually in the future. Two other existing institutions, the Dili Tais Market and Ulmera Beach in Liquica district, were awarded grants that supported rehabilitation

⁵ Timor-Leste's traditional weaving.

of facilities, management training, and a marketing campaign to drive up interest among local and international tourists.

Agricultural Training and Services

With approximately 80% of Timor-Leste's population reliant on agriculture for their livelihoods, SGP invested heavily in agricultural development initiatives. Early grants were awarded to organizations such as AHCAE and ETADEP, which delivered agricultural services and practical skills-training in crop production to rural farmers' groups throughout the country.

SGP encouraged partner NGOs to integrate business management and marketing concepts into their training curricula while also focusing on rural unemployed youth. This led to a series of grants that applied SGP's model for practical business education for youth whereby participants received basic tools and equipment needed to carry out income generation activities, typically horticultural gardening, and partook in one complete business cycle from production through marketing and sales. The East Timor Development Agency (ETDA) was awarded a grant to provide a training of trainers on basic bookkeeping for six of SGP's partners who then delivered this standardized training to their youth participants. These initiatives had mixed results. Some groups generated substantial revenue and continued working together after the grants closed, while others lacked the cohesion and dedication necessary for sustainable business success.

In SGP's final year, with the roll-out of USAID's youth-focused JOBS Opportunities program, SGP's efforts in agriculture shifted focus toward agribusiness activities that worked directly with experienced farmers. Following a Ministry of Agriculture and Fisheries (MAF) study on soybean production in Timor-Leste that identified significant domestic demand and unrealized production, an SGP grant to ETADEP worked to boost production of soybeans in four districts for sale to local buyers. SGP also supported Fini Esperanca, a Suai-based organization providing agricultural services to farmers in the region, with equipment needed to operationalize its seed bank facility. Since late 2007, Fini Esperanca has been loaning high quality peanut, mungbean, rice, and soybean seeds on a revolving basis to farmers in the region and is sustaining itself with income generated from the sale of repaid seeds and produce and payments for other agricultural services offered. These later activities have benefited from close coordination with MAF, DSP and other private sector actors.

Business Education

SGP provided broad-based support for training activities on basic business concepts, many of which were integrated with agricultural production training initiatives as stated earlier. Training in bookkeeping, household money management, marketing and business planning was provided to agricultural cooperative members, rural microentrepreneurs, out-of-school youth, street vendors, primary and high-school students, and NGO administrators striving to generate income independent of donors. Many of these initiatives filled a critical gap in business development services that was not being met by other institutions. The Government's Business Development Centers have yet to effectively deliver the much needed services to Timor-Leste's entrepreneurial community, while donor support in this area is lacking. SGP has given a cadre of local training providers (including CFEO, Fundacao Caminho, FPWO, ETADEP, and others) experience delivering the training and services that will be critical for Timor-Leste's continued economic development.

To build a culture of entrepreneurship at the primary school level, SGP awarded a series of grants to Junior Achievement (JA), a US based International NGO committed to ensuring that every child has a

fundamental understanding of the free enterprise system. With SGP funding, JA carried out a feasibility study, started up a Timor-Leste office, adapted its business education materials for grades 1-6 to the Timorese context, piloted these materials in five private schools, further adapted the curriculum and tested it again in six public schools after securing support from the Ministry of Education. It is expected that JA will continue building on these successes, forge partnerships with private sector entities, and over time, expand its programs to public schools throughout the country.

Vocational Education and Strengthening Links to Employment

SGP's early experience providing equipment and operational support to technical schools highlighted the need for a more formal analysis of each institution's ability to link graduates with employment. Subsequently, SGP commissioned graduate employment surveys of the Fatumaca and Becora technical schools and the Don Bosco Training Center in Comoro (DBTC) to determine the employment status of their graduates. While results varied significantly among schools, the studies found that the majority of graduates from all three schools remained unemployed after graduation.

In its final two years, SGP focused more resources on initiatives that would not only build marketable skills for students and trainees, but also improve their chances of securing employment after graduation. SGP continued to deliver the material support needed to upgrade training facilities, but supplemented this with technical assistance to strengthen institutional links with employers. SGP funded Timor-Leste's first ever job fair, where unemployed individuals had a chance to interface with employers seeking qualified candidates to fill job vacancies. ETDA has established and maintained an employment database for job seekers to post CVs and employers to post vacancies – this service is now being upgraded to provide online access to the public. Since 2001, this database has over 9000 individuals registered and has linked a total of 363 people with jobs. CCYCF and DBTC received equipment to upgrade their technical training facilities and also benefited from detailed needs assessments that led to follow-on technical assistance to improve business planning, financial and logistics systems, and marketing practices at each center.

Feedback – Why does SGP support matter?

"I liked the internship program very much. We were treated special with many trainings and earned some money too along the internship period. But most importantly, as approaching to the end of internship period, I was offered a permanent job by Discovery Inn. I am proud to work in the kitchen preparing foods for our guests whom are Timor-Leste's top leaders and UN's high officers. I will keep this job and try to build my culinary career path. My supervisor Krisna Dewi and Executive Chef Mr Richard Zaw are so kind and very supportive for self development. Now that I am working, I am proud to share my parent's burden by funding four young sisters and brothers in the village continuing their schools." [sic]

– Ana Florinda, Former Intern and Graduate of ETP Venilale, now Pastry Chef at the Discovery Inn

SGP also funded a series of grants that provided six-months of on-the-job training at hotels and restaurants through internships for graduates of CTID and ETPV; both of which offer courses in hospitality and tourism. This program was very successful in linking participants to jobs, with 20 out of 26 graduates (77%) that completed the internship attaining full-time employment. Each of the participating training institutions also received technical and material support to help improve the quality of instruction and better prepare graduates for entering the workforce. SGP's evaluation of

this program recommended replication and substantial expansion of this private sector demand driven internship model.⁶

Environmental Education

In its first two years, SGP recognized a need and limited funding available for environmental education activities and provided limited support toward such initiatives, funding the local NGO Green Timor-Leste in Oecusse and the Haburas Foundation to conduct village level training on environmental protection, water testing for selected villages, and workshops for school teachers and local leaders on responsible natural resource management. However, there was very low interest among the NGO community in conducting such environmental education activities. In 2006, SGP reviewed and revised its strategy and, recognizing that it could have broader impact by focusing its resources elsewhere, removed environmental education as a priority area for funding support.

SUMMARY OF ACTIVITIES DURING THE FINAL REPORTING PERIOD

Just two new grants were awarded under the Economic Growth objective during the final reporting period. The first grant supported the renovation and improved marketing of Dili's famed Tais Market. The second grant provided bridge funding to the Junior Achievement Timor-Leste program. The following is an update on these and other EG grants that were active during the final six months of SGP:

ENTERPRISE DEVELOPMENT

Between April and June, the Zero Star company worked with 84 rural farmers, purchasing over 6,000 kg of 19 different varieties of vegetables. Zero Star is now regularly supplying a number of Dili supermarkets with its fresh produce and is conducting a trial of home delivery service with 23 individual clients in Dili. In addition, Zero Star is supplying the Ministry of Education's school feeding program. All three sources of revenue have resulted in a total of over \$7,000 in revenue between April and June. A group of farmers in Leqitura, Aileu benefited from the construction of greenhouse and nursery facilities that will boost the production and quality of vegetables supplied to Zero Star. These farmers continue to receive ongoing technical assistance from USAID/DSP at the greenhouse site, and it is expected that the greenhouses and other outdoor units will be at full production - producing 1 ton of produce/month - by September 2008.

Fini Esperansa (FE) continued to deliver agricultural services and supply seeds to farmers in Covalima district. Their seed bank operations continued and

Feedback – Why does SGP support matter?

"The SGP project supported and synergized with the government's tourism development program. The internship program at hotels and restaurants was great because it prepared human resources through opportunities for training and working. The rehabilitation of the Tais Market was in step with the government's program to prepare and repair the general marketing facility, while repairs to the tourist sites of Ulmera was a project that stimulated the initiative and participation of the community. The Tourism Ministry very much values USAID because of the consultation and coordination that took place on each project implemented. This was important in order to avoid duplication and overlap between government programs, international agencies and NGOs."

**– Jose Quintas, Interim Director of
Tourism for the Ministry of Tourism,
Industry and Commerce**

⁶ McCarthy, J. (June 2008). Hospitality Industry Internship Program Evaluation Report, USAID Small Grants Program.

the organization generated nearly \$4000 in profit in the first half of 2008. With the recent delivery of a seed cleaner/grader, FE expects to increase productivity which will result in higher profits over time. In July, FE carried out its second distribution of mung bean seeds, loaning over 1,000 kg to farmers' groups and 150kg to individual farmers. They also received one ton of soybean seeds from the Ministry of Agriculture, Forestry and Fisheries (MAFF) to be distributed in the upcoming planting season. SGP has linked FE with ETADEP to collaborate in marketing soybeans come harvest time.

The Timor-Leste Business Forum continued operations after grant closure in April with two permanent staff. In addition to developing membership registration materials and a membership fee structure, TLBF has been in negotiations to merge with the Timor-Leste Chamber of Commerce and Industry to serve as a united umbrella organization advocating for Timor-Leste's private sector community.

ENTREPRENEURSHIP DEVELOPMENT

On-The-Job Training

SGP's Hospitality and Tourism Internship Pilot Program came to a close with a graduation ceremony in May for the 26 interns that completed six months of on-the-job training. The ceremony was attended by USAID Representative, Mr. Mark White and the Director of Tourism, Mr. Miguel Lobato, in addition to participating business owners, managers, supervisors, and grantee representatives. The success of the program can be represented by the high rate of employment for those that completed the internship; of the 26 graduates, 20 are employed full-time, representing a 77% placement rate. In addition, three teachers from ETPV and CTID participated in a two-week training at the Dhyana Pura Tourism Training Center in Bali to upgrade their own skills for teaching. Topics covered included hotel management, front office administration, bartending, and food and beverage service.

Formal Education

Between May and June, Junior Achievement (JA) rolled out its curriculum pilot program in 6 public schools, training 84 teachers and reaching nearly 4,200 more students in Dili. JA also organized Economic Day Camp for 200 grade-five students who learned about business operations through visits to three Cooperativa Café Timor facilities in Tibar, Manleuana and Lecidere. SGP awarded a final one-month grant that provided bridge funding while JA finalized negotiations for longer term funding support with USAID/DSP and other donors. In addition, JA conducted 2 more economic day camps with more than 60 students.

Two training centers in Dili, CCYCF and DBTC, benefited from a series of SGP funded assessments and consultancies. Both organizations underwent needs assessments carried out by ETDA and have been able to address a number of identified issues. Both centers worked with a consultant to develop plans, systems, and strategies to increase income and reduce their dependency on donors. Following a one week consultancy with a local business planning advisor, CCYCF developed a two-year business plan which projects the expansion of existing programs and the introduction of new trainings and services that will provide a small but steady stream of income to help sustain the organization. Three weeks of training to DBTC staff has helped the organization upgrade its financial, administrative, and logistics systems and improve its ability to market the services of its four production units. ETDA

also conducted an employment survey of DBTC graduates which found that just 29% of graduates were employed. The report recommended establishing closer links with the private sector by referring graduates to employment centers that provide job search skills training.

Entrepreneurship and Local Product Promotion

ETADEP's domestic soybean project has progressed with the seed multiplication phase now complete. By the end of June, 82 hectares of soybeans were planted in Raimate, Loes and Natarbora; all to be harvested in September. The remaining 43 hectares were to be planted in Natarbora and Raimate and will now be planted in the next harvest season in December. Thus far, ETADEP has built up 3.5 tons of seed stock in Natarbora and helped its farmers sell 1.2 tons to the Ministry of Agriculture at \$0.45/kg. Tofu Furak is expected to purchase 1 ton at \$0.70/kg and ETADEP intends to supply them regularly. At the time of reporting, ETADEP also has assurance that the Ministry of Tourism, Commerce, and Industry will purchase 60-80 tons at \$0.55/kg to build up food security stocks.

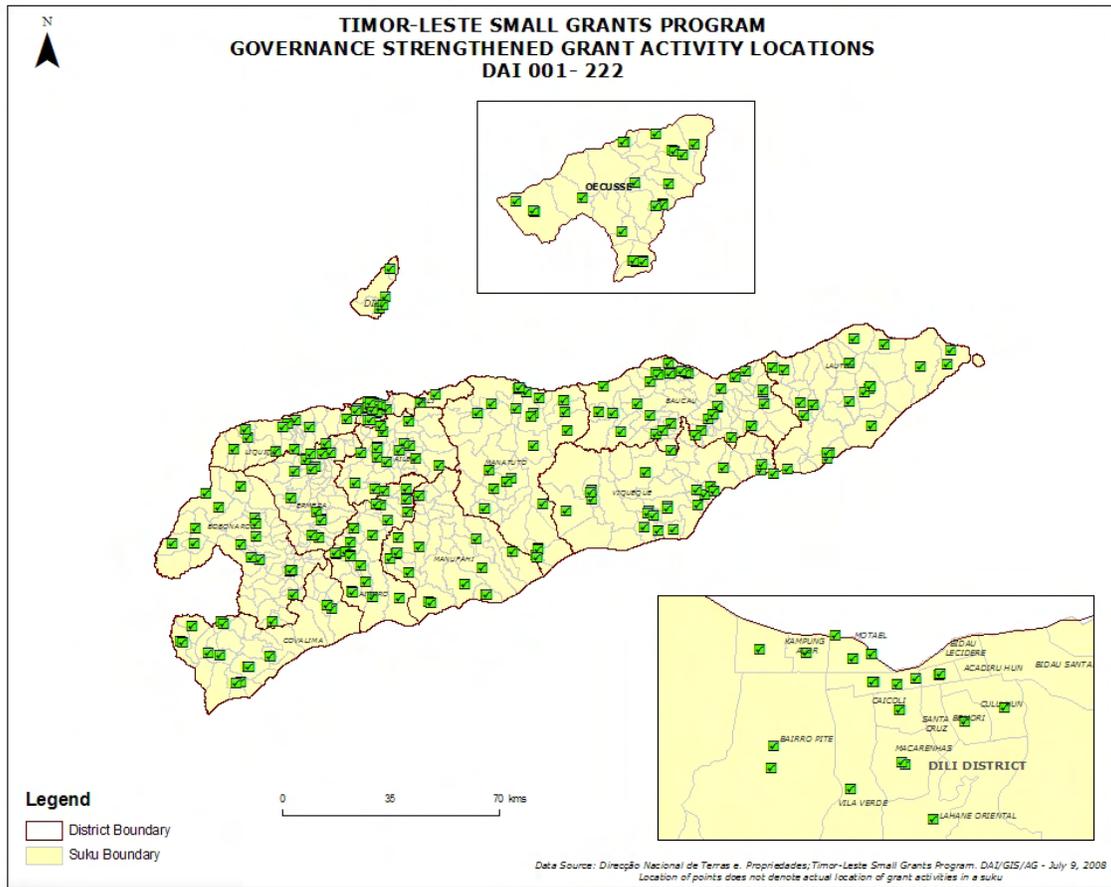
SGP's grant to the Ulmera Youth Group gave the group's 16 members the materials needed to rehabilitate beach facilities, build a storage room, and carry out a beach clean-up. The group now manages the beach as a tourist destination, charging fees for entrance and rental of beach furniture and equipment. On World Environment Day in June, the group organized a re-opening ceremony that received a great deal of media coverage and was attended by the Minister of Tourism, Commerce, and Industry, Mr. Gil Alvez, and USAID Representative, Mr. Mark White. Since the opening, each week, 50 - 100 tourists visit the beach every weekend. As of July, the group had generated over \$400, and expects to increase revenue through a marketing campaign and partnerships with a number of tour operators in Dili. This youth group plans to work with DSP and EDC in the future to help coordinate activities at the tourism site and improve their business management skills.

In April, SGP awarded a grant to the 42 vendors of the Dili Tais Market. SGP's assistance helped the vendors rehabilitate the dilapidated market; raising the roofs, improving drainage, and giving it a fresh coat of paint. In collaboration with DSP, SGP supported the production of marketing materials including colorful brochures, billboards, and signs distributed around Dili. The vendors also received basic bookkeeping and marketing training to help them better manage increased incomes that would result from the project. The vendors reported an average increase in monthly revenues of 9.64% after the market was re-opened in July.

USAID OBJECTIVE: GOVERNING JUSTLY AND DEMOCRATICALLY

SGP funded activities under USAID's "Governing Justly and Democratically" objective helped strengthen the transparency, efficiency, and effectiveness of the Timorese government both at the national and local level, supported three national elections, promoted human rights and the rule of law, educated citizens about the legal system and civic responsibility, and improved access to reliable, balanced information. During SGP's first two years, significant assistance was provided in support of government activities and for local elections. As the project progressed into its third and fourth years, SGP focused its priorities on public information and civic education programming. Figure 8 below, shows the wide geographic reach of SGP's Governance grant activities throughout the life of the project.

FIGURE 8: GEOGRAPHIC COVERAGE OF GOVERNANCE ACTIVITIES (JULY 15, 2008)



GOVERNMENT SERVICE DELIVERY

Over the past four years, SGP has assisted the Government of Timor-Leste with grant support to fill gaps when funding shortfalls and procurement challenges hampered the government’s ability to pay for certain initiatives. Examples of grants awarded include: support to the Social Services Division of Sec State for Labor and Solidarity for advisory services to support advocacy efforts for vulnerable groups and monitor social services delivered by NGOs and other agencies; translation of Sector Investment Plans for the Ministry of Planning and Finance; translation of high school civic education textbooks for the Ministry of Education; advisory services to the Ministry of Foreign Affairs and Cooperation to establish a diplomatic training for new ambassadors; and GIS equipment and training to upgrade the administrative boundary mapping capacity of the staff at the Ministry of Justice’s land and property unit. The vast majority of grants to government were awarded during the first two years of SGP. Again, following the release of extremely low budget execution figures from 2006, SGP limited support for such activities in an effort to help the government improve its ability to use its available funding to support its own initiatives.

RULE OF LAW

With a violent pre-independence history fraught with human rights violations, Timor-Leste's young democracy is still very much occupied with past grievances and its judicial system remains in its early stages of development. SGP has supported a variety of governmental and civil society organizations to strengthen the rule of law, promote human rights and increase the effectiveness of Timor-Leste's justice sector. Considerable funding was awarded to the Judicial System Monitoring Program (JSMP) to continue its court monitoring, legal research and analysis, and public policy work. Fundacao HAK and the Peace and Democracy Foundation were both awarded grants to strengthen their capacity in human rights advocacy. Grants to the government were awarded for a seminar on civil and political rights that led to the development of a National Human Rights Action Plan which is now being finalized for approval by the Council of Ministers; while equipment and furniture were provided to the Oecusse District Court, the Ministry of Justice, the Ministry of the Interior, and the Office of the Prosecutor General. SGP also funded translation and printing costs for a number of important publications including the Truth and Reconciliation Commission (CAVR) final report, the report on the Convention on the Elimination of Discrimination against Women, and booklets explaining Timor-Leste's land law legislation for the Ministry of Justice.

ELECTIONS AND LOCAL GOVERNMENT

Prior to SGP's launch, Timor-Leste had only carried out two elections - the 2001 constitutional assembly elections and the 2002 presidential elections - which were both administered by UNTAET's Independent Electoral Commission. Over the past four years, Timor-Leste carried out three more national elections: the 2005 local government elections and the parliamentary and presidential elections in 2007. The newly formed Technical Secretariat for Electoral Administration (STAE) and Independent Commission for National Elections (CNE) required significant international assistance with the training and administration needed to carry out well organized, free and fair elections. In 2005, SGP made significant contributions to STAE and CNE in order to improve election oversight, disseminate voter education materials, print ballots, and train polling staff for the suku elections.

Following these elections, SGP continued its support to the national government in rolling out a nationwide training for the new suku councils. SGP provided substantial grant assistance to the National Institute for State Administration (INAP) and a series of NGO training providers to deliver a leadership and communication training to 391 suku councils in 10 of Timor-Leste's 13 districts. For most of the newly elected suku council members, this was their first exposure to any training on their roles and responsibilities as individuals and as a group. Because of the low education and literacy levels of many participants, training materials were simple, and sessions were designed to be practical and interactive. The trainings helped participants understand how to identify problems in their community, set priorities, and access funding needed to address community needs.

Feedback – Why does SGP support matter?

“According to the Constitution of RDTL, Section 65 regarding elections, ‘Registration of voters shall be compulsory’. STAE did not have any facility to make that happen {in 2004}. USAID-SGP provided a server at that time, and it was really helpful during the registration of 400,000 voters...USAID-SGP and the Portuguese Government were the first to trust STAE to help people vote. After people saw the results from the first piloted districts, other donors started to support this effort”.

- **Tomas Cabral, Technical Secretariat for Electoral Administration (STAE) Director**

SGP limited its assistance for the administration of the 2007 Parliamentary and Presidential elections, primarily because USAID was already supporting the elections with funding channeled through IFES, IRI and NDI. In addition, STAE and CNE were already equipped to operate. However, given the country's latent potential for a resurgence in political violence after the 2006 crisis, SGP did fund a series of projects to produce and disseminate information that would boost the public's understanding of the electoral process and election results. CAMS-TL produced a 12 minute voter education film to help the public better understand the purpose of the parliamentary elections and what made them different from the Presidential elections that took place a few months earlier. Similarly, Radio Rakambia carried out mobile broadcasts of election coverage in areas that were not reached by the national broadcasting networks. After the elections, both organizations were awarded follow-on grants to create a video and a radio drama (respectively) that explained the roles and responsibilities of the elected parliament. The radio drama was broadcast on the national radio, by community radios, and through mobile broadcasting units. The video was broadcast on public television and copies were disseminated throughout the country for small-scale viewing sessions. These post-election public information campaigns were important for clarifying the outcome of a contentious parliamentary election, raising public awareness of how the parliament advocates for the public and how citizens can lobby their representatives.

LEGAL AND CIVIC EDUCATION

Most Timorese citizens, especially in rural areas, do not understand formal justice procedures or have access to any sort of legal representation or mediation services. To help address this gap, SGP awarded a number of grants in its first two years to support the provision of legal aid services and legal education programs. Grants to the Liberta, Fortuna, and Biankara Legal Aid Groups, Tane Timor, FFSO, and FECM helped resolve over 100 cases through mediation and delivered legal education training to over 1400 people, addressing issues such as the land law, domestic violence, criminal and civil law, and the GoTL constitution. Working with many of these partners, SGP piloted a successful legal aid internship program for high school graduates. Participants received intensive training then gained work experience in the field identifying and registering disputes and in some cases assisting with mediation and dispute resolution. After 2006, The Asia Foundation became USAID's primary link to legal aid groups and SGP shifted its focus toward civic education.

Just four years after independence, the 2006 crisis demonstrated just how fragile Timor-Leste's social fabric remained. USAID responded by prioritizing civic education programming that would help strengthen some core social values to promote peace and stability in the country. CARE International was awarded SGP's first civic education grant for teacher training in the start-up phase of a pre-secondary school training program on peace and civic education. After SGP's grant closed, the project was carried on in 153 pre-secondary public schools in all 13 districts with funding from UNDP. The GoTL is also using lessons learned from this project to develop a national curriculum on human rights, civic education, life skills, and peace education. In its final year, SGP commissioned a nationwide civic education campaign carried out by three local NGOs: East Timor Insight, Radio Rakambia, and Bibi Bulak Group. The groups combined civic education with entertainment, screening a series of films on the justice system, environmental protection, and youth in crisis, and documentaries about the Parliamentary elections and women in parliament. With live music performances, dramas, and interactive quizzes to reinforce key messages, the campaign attracted large audiences throughout the country reaching a total of an estimated total of 48,000 people.

MEDIA AND PUBLIC INFORMATION

In a fragile political environment like Timor-Leste's, the regular dissemination of accurate and balanced information is essential for cultivating a stable democracy. From SGP's inception, public information activities have been central to SGP's strategy for supporting democratic governance. Grants were awarded to the public broadcasting service, media training centers, community radio stations, newspapers, and media associations. Many of these were designed and implemented in collaboration with USAID's main media partners in Timor-Leste: Internews from 2004-2006 and the International Center for Journalists (ICFJ) from 2006-2008.

Prior to the 2006 crisis, SGP's public information activities provided management training, technical support, and equipment to a number of media outlets. With SGP assistance, the public broadcasting service improved its management capacity and expanded its coverage; now reaching an estimated 700,000 listeners through FM and AM radio coverage in all 13 districts and 450,000 viewers through television coverage in eight districts. Timor-Leste's 16 community radio stations benefited from operational support to the Association of Community Radios in Timor-Leste (ARKTL), while individual radio stations like Radio Communidae Lospalos received equipment to upgrade their broadcasting capacity. Print journalists also benefited from small grants that provided journalism training through the Timor-Leste Media Development Center (TLMDC) and direct equipment and operational support needed to keep some up-and-running, such as Lifau Pos, the only print media outlet in the enclave of Oecusse. Finally, the Government Information Office (GIO) delivered intensive technical training to Information Officers from different divisions of the government to improve the quantity and quality of information being disseminated from the government to the public.

During the 2006 crisis, most of the country's media outlets did not have sufficient funding to continue operations. This threatened to compound the public's confusion surrounding the violent events that took place in April and May. SGP swiftly responded by awarding a series of grants that kept information flowing to the public. All three of the national newspapers (Timor Post, Suara Timor Loro'Sae, and Diario Nacional) received emergency funding needed to restart printing and distribution of their publications, while TLMDC provided distribution services to the districts outside of Dili. Meanwhile, Radio Rakambia was equipped with mobile broadcasting equipment needed to rebroadcast national programming in areas that did not receive coverage by RTL.

Feedback – Why does SGP support matter?

"During the first legislature, there were not many people coming to the National Parliament. People were afraid to approach the Parliament. I believe that this film that has been shown on TVTL and also in every suku will make the people aware that the Parliament is approachable. More people will come to the Parliament to address their issues. This film is also a means to encourage women that women can also be politicians who can speak in front of the public. It can also teach the future Parliament members on how the Parliament works in making laws and approves the budget".

- Maria Paixao, Deputy President of the National Parliament of the Democratic Republic of Timor-Leste

GoTL 2008 national budget. In collaboration with ICFJ, SGP supported five journalists associations to start-up a regional media house in Baucau that is providing training, technical support and access to communications to journalists in the three eastern districts. A grant awarded to Plan International, created a video production unit at TLMDC that produced four short videos promoting Timorese youth making positive and productive contributions to their communities. The video production unit is now fully equipped, has four trained staff, and is poised to build on the success of this grant with a number of upcoming video production projects in the pipeline. Finally, supporting SGP's civic education strategy, two grants were awarded to disseminate civic education messages to the public: one to Jornal Labarik, a children's newspaper that boosted distribution to schools outside of Dili with key messages about children's rights, and another to the Provedor's Office for the design of a national public information campaign on anti-corruption.

Feedback – Why does SGP support matter?

"I participated in the GIO training from March to December 2006. I learned many things during that period. I, personally now am able to establish good relationship with media institutions to inform the public about what activities have been done by the Ministry of Social Solidarity at the national and the lower levels. Otherwise, people do not know what the ministry is doing. GIO is a good training provider since they did the follow-up to the training we had attended, and this was to ensure that we were really able to apply what have been learned including making the brochure, fact-sheets, and pamphlets."

-Estela Gusmao, GIO graduate, Cooperation Planning, Ministry of Social Solidarity

SUMMARY OF ACTIVITIES DURING THE FINAL REPORTING PERIOD

No new grants were awarded under this objective. The following provides an update on DG grants that were active during the final six months of SGP:

CIVIC EDUCATION

During the reporting period, Centro Audiovisual Max Stahl - Timor-Leste (CAMS-TL) completed the Tetum and English language versions of an educational documentary film entitled *Parlamentu ba Povu* (Parliament for the People) about the roles and responsibilities of Timor-Leste's National Parliament. The film takes a historical view of how the Parliament represents Timorese citizens and shows parliamentarians grappling with the country's most important issues, including: the annual budget, petroleum revenues, the function of parliamentary commissions, and the assassination attempts on the President and Prime Minister. TVTL broadcasted the film three times in May, and the National NGO Forum (FONGTIL), distributed and screened the film in 301 villages in 11 districts. FONGTIL coordinated with the National Directorate of Non-Formal Education and village authorities to screen the films using government issued televisions and DVD players. More than 13,000 people viewed the video in these sessions, and with an estimated viewership of 650,000 for the national broadcasting service, a majority of the population was exposed to the educational messages of the film.

PUBLIC INFORMATION

During the reporting period *Uma Media Regional/Baucau* (UMR) – or regional media house – provided services and training to journalists from 11 mass media organizations operating in the country's three eastern districts. UMR has delivered basic journalism training on voice editing, news writing, technical interviewing, the journalism code of conduct, and internet research for over 40 journalists and nearly 90 high school students. In addition, 237 people have used UMR's internet

service. While UMR is still operating out of the offices of another local NGO, it has secured funding for the rehabilitation of a neighboring building that will house UMR in late 2008. UMR continues to receive operational and management support from ICFJ and will work with ICFJ to prepare a business plan by the end of August 2008.

Plan International's work with TLMDC has resulted in the establishment of a fully equipped video production studio with four Timorese youth trained in the basics of video production and editing. As a part of the training, a series of four short films entitled '*Ne Hau Nia Moris*' (It is My Life) were produced. The films highlighted the activities of ordinary Timorese youth making positive contributions to Timorese society. In May, TVTL and RTL aired video and audio versions of these episodes a number of times, and 150 copies of the DVD were distributed to NGOs and government ministries as promotional materials to advertise TLMDC's video production services. SGP and Plan assisted TLMDC in developing a two-year business plan for the video production unit to ensure it begins capitalizing on these resources to help sustain the organization. The final version will be completed by the end of July 2008. TLMDC has already been approached by a number of donors and government institutions to produce other films, and expects to generate significant income through these services.

The children's newspaper, *Jornal Labarik* (JL), closed its grant with SGP having produced four editions. Each one focused on a different topic, including children's rights to: clean water, nutrition, peace, and freedom from exploitation. SGP support allowed the newspaper to increase its distribution from 2,000 to nearly 22,000 copies, which were distributed to 715 primary schools, 130 secondary schools, and 442 literacy sites throughout the country. After conducting a mid-term evaluation of the program, JL found that all schools randomly selected (42) for the evaluation were reached through the distribution. Students and teachers were happy with the materials and used them as teaching materials in the schools and communities that had no other material options. UNICEF has committed to funding the newspaper through the end of 2008.

SGP's support to the Provedor's Office, in coordination with USAID's Justice Institutions Strengthening project, provided funding for a Communications Specialist to assist in developing anti-corruption public education messages, and designing a communication plan for an anti-corruption campaign to be rolled out over the next year. Eleven staff were trained to help the Provedor deliver anti-corruption messages in print, radio and television and the campaign will be rolled out in August 2008. They expect to reach approximately 250,000 people.

USAID OBJECTIVE: INVESTING IN PEOPLE

Under USAID's "Investing in People" Objective, SGP funded programs that promoted adult literacy and numeracy, improved the delivery of health services, helped prevent prevalent diseases, and addressed malnutrition among women and children through nutrition education and supplementary feeding programs. Activities under this objective were all carried out in collaboration with other donors as well as the Ministries of Education and other development stakeholders.

LITERACY AND NUMERACY

SGP's first investment in literacy and numeracy (L&N) education was as a component to an income generation training delivered by the local NGO Timor Aid. When the Ministry of Education's Directorate of Non-Formal Education (NFE) sought funding to support the development of a standardized non-formal literacy and numeracy curriculum, SGP awarded a grant to cover reproduction costs of training materials and helped pilot test the curriculum. This curriculum was subsequently used by all of SGP's literacy and numeracy grantees in order to build upon the work already done by NFE. Over time, SGP refined its L&N strategy to focus on business people that would use the lessons in their daily lives; such grants were awarded to Fundacao Cristal, FXG, FCF, FBM, FPWO, and MFM.

After a year of pilot testing these materials and working with a wide variety of training providers, SGP commissioned an evaluation of these programs to evaluate the capacity and effectiveness of each training provider and the impact of the trainings at the community level⁷. In early 2008, following the findings and recommendations of the study, SGP launched a series of three final literacy and numeracy grants. These expanded the outreach of the existing programs, incorporated more frequent and in-depth teacher training, piloted new, more advanced training materials, and developed tools to improve monitoring and supervision of non-formal literacy and numeracy training activities. All told, SGP assistance helped local partners deliver at least six-months of non-formal literacy and numeracy training in 12 districts to over 3,000 people in 302 classes.

HEALTH

Service Delivery and Disease Prevention

Early SGP assistance in the health sector focused on improving medical service delivery through upgrades to small scale medical facilities. SGP provided equipment to a number of rural and urban clinics and helped rehabilitate offices for the Ministry of Health (MoH). In addition, SGP supported capacity building efforts for medical practitioners through a national clinical nurses training program run by the World Health Organization (WHO). Finally, SGP funded a number of targeted, large scale disease prevention campaigns to fight prevalent diseases like dengue fever, lymphatic filariasis, intestinal parasites, polio, and malaria through grants to the MoH, WHO, and CRS.

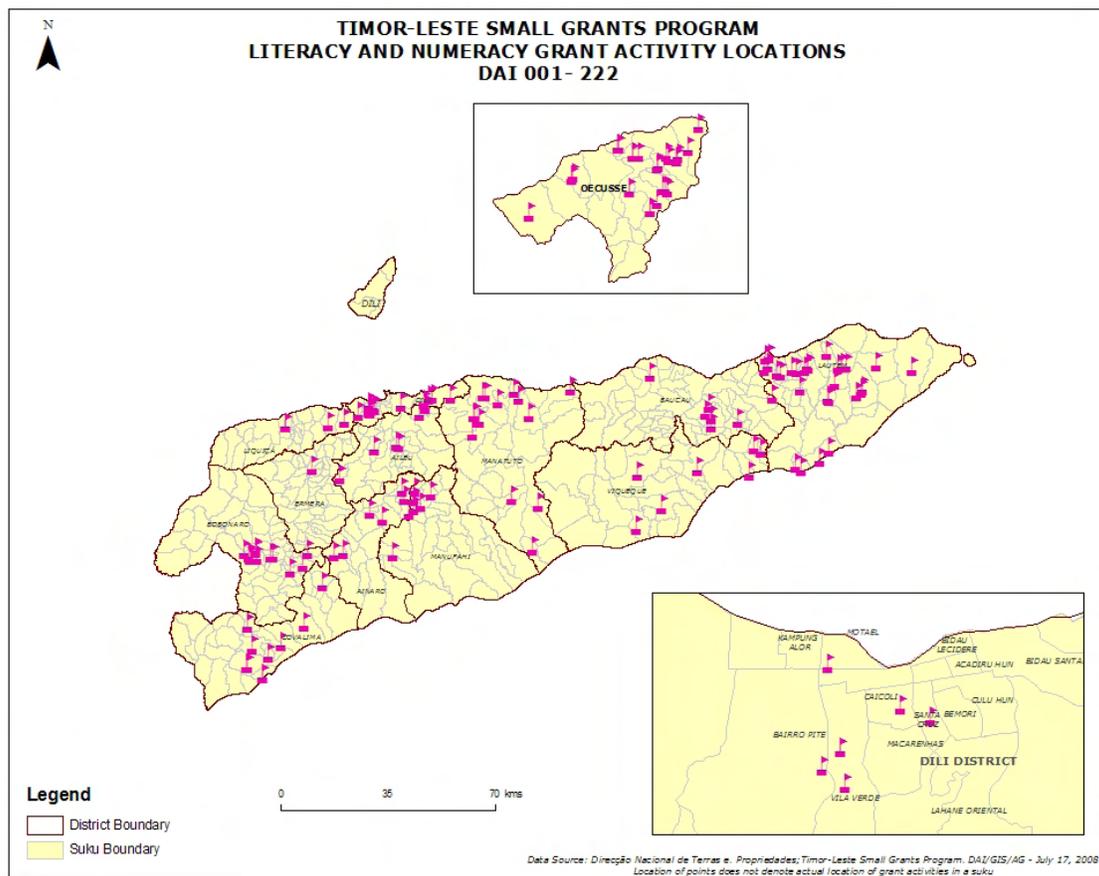
Feedback – Why does SGP support matter?

"{Without SGP support}, it would have been more difficult for the Ministry of Education (The Directorate for Non-Formal Education) to test new literacy manuals, and that would have slowed down the process of developing improved versions to be implemented on a national scale... USAID-DAI always stressed the importance of linking literacy to health and economy. I share their view. Learning to read, write and calculate is only useful if you can apply your new reading/writing/numeracy skills in your daily life activities: to improve the health of your family and community, and to enlarge income generating activities."

- **Danielle Boon, Advisor to the Ministry of Education, Non Formal Education Directorate**

⁷ Anis, K. (November 2007). Assessment of the Effectiveness of Literacy and Numeracy Programs in Timor-Leste, USAID.

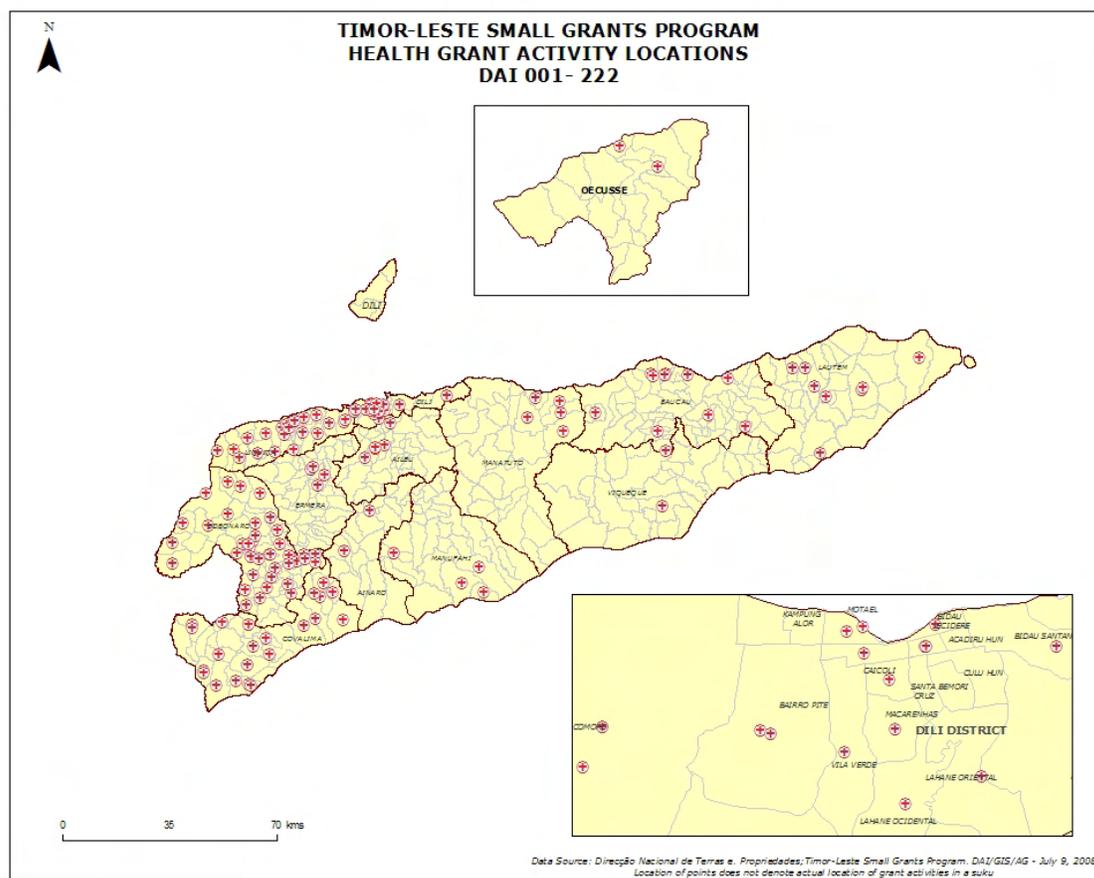
FIGURE 9: GEOGRAPHIC COVERAGE OF LITERACY AND NUMERACY ACTIVITIES (JULY 15, 2008)



Maternal and Child Health and Nutrition Education

Throughout the project, SGP has supported efforts to improve nutrition practices among mothers and children through focused nutrition education campaigns. In 2004 and 2005, SGP awarded grants to HIAM Health, a local NGO, Health Alliance International, and CARE International for nutrition and maternal and child health related programs. CARE International’s nutritional assessment in Covalima district, led to a broader growth monitoring and supplementary feeding program for malnourished children and lactating mothers in the area.

FIGURE 10: GEOGRAPHIC COVERAGE OF HEALTH ACTIVITIES (JULY, 15 2008)



After the 2006 crisis, health funding was temporarily redirected toward humanitarian relief efforts for IDPs, but in 2007 was refocused on nutrition education programs for mothers and children. While CARE International received continued funding to provide technical and logistical support to the MoH supplementary feeding program, a number of smaller organizations also received funding for more localized nutrition education campaigns. Masino Foundation and Medicos do Mundo both delivered nutrition education programs in Lautem district, while Pastoral das Crianças and Grupo Supporta Inan worked in Manatuto and Baucau respectively. Combined, these organizations reached over 7,600 people with lessons on proper hygiene, food preparation, and basic facts about important nutrients needed by mothers and their children. Sharis Haburas Comunidade, a local NGO, received a grant to help pilot an upgraded primary school nutrition education curriculum that is expected to be rolled out to more public schools over the next year.

SUMMARY OF ACTIVITIES DURING THE FINAL REPORTING PERIOD

Literacy and Numeracy

SGP's final three grants to FPWO, FC, and FBM continued until the end of June 2008. FC's expanded training in six districts reached 723 small business women, while 97 trainees in Oecusse completed FPWO's sequence II trainings using NFE's *'Iha Dalan'* curriculum. Both organizations

also pilot tested a Junior Achievement business game that was adapted for an adult audience. Surveys of facilitators and students about the JA materials found that all participants valued the training and found the materials useful and practical. Ten of the 16 surveyed were interested in continued training after the grant period ended but were worried about how to attain capital to help finance their enterprises.

After a series of workshops, monitoring visits, and consultations, FBM completed its Manual on Monitoring and Supervision of Non-Formal Literacy and Numeracy Classes. The manual provides guidelines for how coordinators of such programs should carry out monitoring visits, what types of questions to ask, how to record observations, and how to provide recommendations that help facilitators improve the quality of their teaching. The manual was endorsed by the Minister of Education and distributed to district and subdistrict level coordinators for Non-Formal Education, NGOs delivering literacy and numeracy training and all members of the Non-Formal Education Working Group for literacy to be used in the future. FBM expects to begin delivering training that complements the manual on behalf of the MoE and other NGOs within the next year if they can secure the budget.

Health

Pastoral das Crianças and Grupo Suporta Inan both continued delivering nutrition education programs for mothers, pregnant women and children under five in Manatuto and Baucau respectively. Combined, these grantees reached over 1,100 people with lessons that promoted the use of nutritious local foods and included cooking demonstrations.

After pilot testing a new primary school nutrition education curriculum in Manufahi with SGP support, Sharis Haburas Comunidade, Concern International and the Ministry of Health are now drawing up plans to roll out the curriculum nationwide.

SPECIAL PROJECTS/HUMANITARIAN RELIEF

Since its inception, SGP supported a number of initiatives that fell outside of its strategic focus areas; primarily for humanitarian relief, but also in response to other emergency health threats and urgent needs. In 2005, with the threat of Avian Influenza increasing in the region, SGP responded through the provision of equipment and training to help establish an AI early warning system at the Ministry of Agriculture, Forestry and Fisheries' Livestock Division.

The 2006 crisis led to the displacement of an estimated 150,000 people, creating a humanitarian crisis that required immediate response. A series of camps were established both in and outside of Dili to provide refuge for those that were forced to leave their neighborhoods. Throughout this period, despite the mandatory evacuation of expatriate staff, SGP maintained operations and began awarding grants, just seven days after the crisis, to provide emergency relief to internally displaced people (IDPs). Grants were awarded to RTTL, CRS, CARE International, Bairo Pite Clinic, and the Alola foundation to rehabilitate toilet facilities; distribute hygiene kits, sanitary items, and insecticide treated bed nets; improve hygiene awareness; conduct supplementary feeding programs; and cover operational and logistical costs in support of these efforts.

SGP responded to other, smaller scale, emergencies both before and after the 2006 crisis: rehabilitation of an orphanage roof in Dili, rehabilitation of the Dili port facilities; response to flooding in Oecusse, support for psycho-social counseling for the widows of F-FDTL and PNTL

members, and emergency repairs to a Café Cooperativa Timor clinic in Manufahi District that had burned.

SUMMARY OF ACTIVITIES DURING THE FINAL REPORTING PERIOD

During SGP's final reporting period, one special project grant was awarded. CARE International received two months of bridge funding to cover salaries, training supplies and operational costs for the Joint NGO Safety Office (JINGO) to continue serving as a security focal point for national and international NGOs and other members of Timor-Leste's civil society. JINGO provided 70 timely security updates through email and 15 through SMS, 3 personal security trainings for 58 people, and served as a security liaison with other security personnel and agencies.

RESOURCE ORGANIZATIONS

Recognizing that long-term sustainability of development efforts in Timor-Leste greatly depends on local NGOs, SGP designed and created the Resource Organization (RO) program—a series of grants that provide targeted organizational development assistance to promote the sustainability of SGP's strongest grantee partners; providing for a legacy of superior, increasingly sustainable social service providers that will be leaders in their specific program areas. The ROs are expected to become role models for other local NGOs, as well as key members of civil society that will continue to grow and improve over time. Through a competitive bidding process, the following six organizations were selected to be ROs:

- **Fundacao ETADeP**—a long-established NGO with over 20 years of experience working in the agriculture, water supply systems and microcredit sectors
- **Forum Peduli Wanita Oecusse (FPWO)**—a young organization based in Oecusse and working in the small-business training, microcredit, and adult literacy/numeracy training sectors with women
- **Fundacao Fatu Sinai Oe-cusse (FFSO)**—Formed in 1999, based in Oecusse, and working in the following sectors: legal aid, advocacy, and community development in agriculture and livestock
- **Fundacao Cristal (FC)**—Founded in 1984 as a formal education institution; delivering non-formal education services in the form of adult literacy/numeracy training since 2002
- **Association HAK**—Founded in 1997, working in the human rights, advocacy, legal aid and justice sectors
- **Fundasaun Educasaun Comunidade Matebian (FECM)**—Founded in 2001 in Baucau and serving the four eastern districts with legal aid and advocacy services

To support these ROs with targeted assistance that effectively bolsters their sustainability and ability to achieve technical excellence, a consultant was contracted to perform a detailed organizational needs assessment of each RO. The consultant used a methodology of staff and beneficiary interviews, analysis of organizational strengths, weaknesses, opportunities, and threats (SWOT analysis), focus group discussions, and project site visits to assess management capacity, financial capability, technical operations and facilities.

Following the assessment, it was clear that local NGOs, even the larger and more long-standing ones, are very vulnerable to changes in donor funding cycles and programmatic focus areas. In addition,

fewer donors offer institutional or operational funding, especially for a period longer than 1-2 years, to help support these NGOs in their efforts to implement programs. Thus, an effort to increase the income generation capacity of the selected NGOs became an integral part of the RO program so that the NGOs could become more self-sustainable. This is especially important given further expected decreases in funding levels from USAID and other donors.

Recommendations from the needs assessment were divided into three categories:

- Recommendations for internal improvement by the NGO itself
- Recommendations for SGP grant support
- Recommendations for support from other donors

Recommendations for internal improvement of the ROs consisted of improvements of management documents/systems; upgrading of financial management systems; enhancement of technical skills; some changes to staffing and the process for generation of income. Recommendations for SGP grant support consisted of: procurement of transportation (motorbikes); procurement of electronic and office equipment; training to develop management, planning, leadership, and income generation skills; external financial audit and financial management training; and targeted training to upgrade technical expertise.

In January, SGP awarded grants to each of the selected ROs based on the recommendations found in the needs assessment reports. SGP helped address much of the material needs through the delivery of motorbikes, computer equipment, and other items identified in the needs assessments. In addition, an internationally certified local accounting firm, Tjia Tchai and Associates, was contracted to conduct financial audits and deliver financial management trainings with each organization. The audit reports identified similar issues with accounting policies and procedures among all ROs. A standardized week-long training in accounting was therefore delivered to the accounting staff and management of each organization and each has since been in the process of updating their accounting policies and procedures.

Strategic planning and income generation advisors were also employed to assist each organization with longer-term plans for financially sustainable service provision. Three different consultants were contracted to carry out a total of one-month of work embedded with each RO. Each organization managed to develop their own unique strategic plans based on their specific technical focus and strengths. However, some common issues were identified among most ROs, including the need to update internal policies, recruit for and groom future leaders, and plan income generation activities. Each RO developed action plans and timelines for implementing the solutions identified in the income generation and strategic planning sessions, and all have made some progress since the grants have ended.

Since then, the ROs have made progress towards realization of their follow-up plans. In line with one of its major goals, FECM has applied for registration at the Ministry of Justice. FFSO has amended its financial operations manual and instituted many of the financial consultant's recommendations, including application for a TIN, establishment of a voucher system, opening of a bank account and creation of annual financial statements. In addition, FFSO has pilot tested a savings and loan scheme with staff for wider replication to the general public as one of many income generation activities. At the time of this report writing, HAK was working with its Board of Directors to adopt a series of

internal regulation changes and revisions to its financial systems. In addition, HAK has reached an agreement with FPWO in Oecusse and has opened discussions with LAHO in Baucau to buy local products from each of these regions and sell them in Dili through their Mori Delo women's cooperative. FPWO succeeded in electing a deputy director from within its own ranks, has upgraded many of its financial and management systems, and has expanded its facilities. Fundacao Cristal has succeeded in revising many internal documents, most of which had not been upgraded since 2000. FC has also separated its formal and non-formal education financial data so that more effective planning and analysis can be undertaken on both in future. Finally, ETADEP has concluded an agreement with the government to purchase 100 tons of rice, sourced from regional farmers, at a \$.20/kg profit. In addition, ETADEP is currently negotiating with the Ministry of Industry and Commerce and some Dili-based tofu suppliers to purchase 2140kg of soybeans at a \$.15/kg profit.

While all of the ROs gave extremely positive feedback on each of the consultants, they also unanimously agreed that the time allotted for these consultancy services was insufficient. Despite this, many of the organizations have already secured support for a number of projects that they attributed to SGP's assistance under this program. For example, Fundacao Cristal is now working with USAID Partner EDC to implement their literacy training for young people. HAK has secured additional funding from AusAID, HIVOS for three years, MISEREOR (in Germany) for human rights work, TERKERNCTE (from the Netherlands) for two years support for the Justice Sector program. ECM is working with The Asia Foundation to provide training to suku leaders on mediation. FPWO continues to work with Irish Aid to extend office space and facilities and Caritas Australia for additional training service provision. FFSO is working with Oxfam Australia and NGO World Neighbors in the agriculture sector and The Asia Foundation for a nine month period to continue their legal aid services. Finally, ETADeP is working with Japanese Company Sanyo to implement a large irrigation program over the next year. All of the ROs were featured at SGP's partners reception in mid-July, where they had a chance to share marketing materials and network with government representatives, including the Minister of Tourism, Industry and Commerce, Mr. Gil Alves, Minister of Economy and Development, Mr. Joao Gonsalves and Minister of Education, Mr. Joao Cancio Freitas as well as other donors and stakeholders from the development community and the private sector. During these six-month grants, all of the ROs have shown great promise as leaders in their respective fields, and SGP expects that they will continue to implement the plans developed under the RO program to increase their professionalism and capacity to deliver effective services to the Timorese people, government, and civil society.

PROGRAM STATISTICS

USAID OPERATIONAL PLAN INDICATOR DATA

The following tables show SGP indicator data as required by the USAID Operational Plan. This data captures all activities that have been underway since the indicators were introduced to SGP after the September 30, 2006 reporting period.

Economic Growth	Male	Female
Total number of micro-enterprise clients of USG-assisted business development services ⁸	775	5,913
Number of people receiving training in USG-supported micro-entrepreneurship training sessions ⁹	4,059	2,987

Governing Justly and Democratically	Male	Female
Number of individuals who received training in local government and/or decentralization ¹⁰	3,270	51
Number of people who have completed civic education programs ¹¹	443,486	423,456
Number of (government) journalists trained	51	19
Number of non-state news outlets assisted ¹²	8	

⁸ Beneficiary data contains the number of employees of enterprises assisted and the number of clients reached through SGP supported microfinance activities. The number of direct beneficiaries of the Internship Program has been adjusted to reflect the actual number of beneficiaries at the end of the program, thus the total number of beneficiaries in this category is now slightly lower than previously reported.

⁹ Data includes participants of the Job Fair implemented by the Dili Institute of Technology.

¹⁰ Gender disparity is linked to the type of trainees involved. The majority of the trainees (suku council members) are men. Data does not account for double counting of beneficiaries under multiple grants.

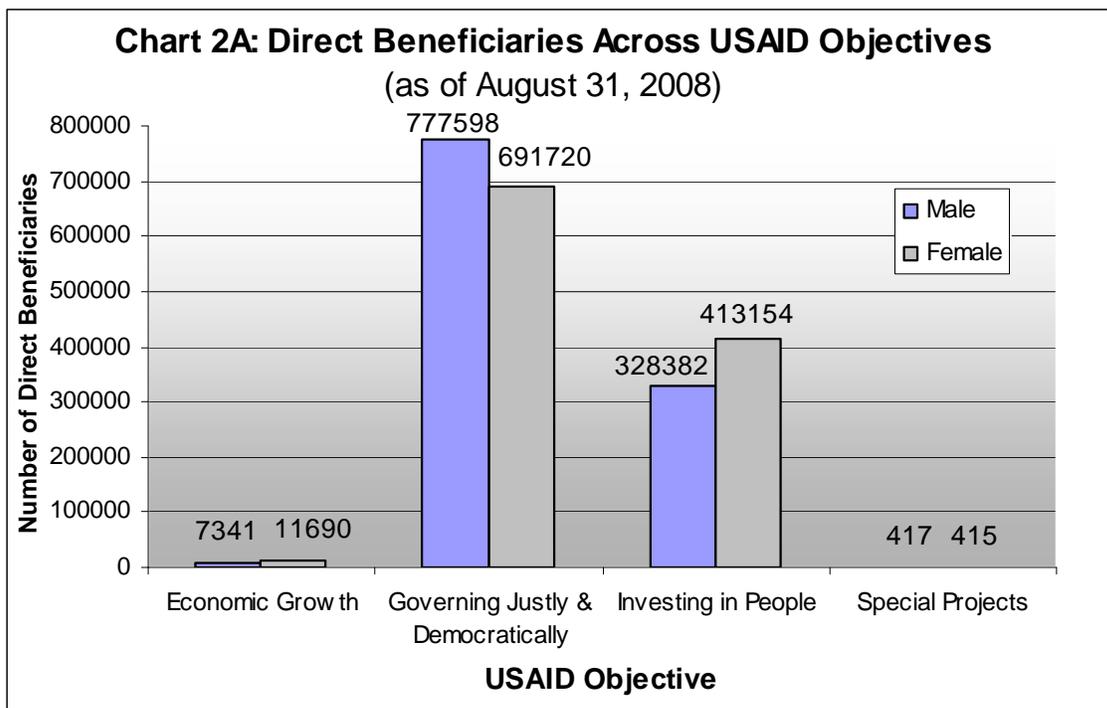
¹¹ Data includes Legal Education programs and estimates based on listenership and viewership of Voter Education campaigns.

¹² Non-State news outlets assisted were Lifau Post, Radio Comunidade Lospalos, Radio Rakambia, JSMP, ARKTL, TLMDC, Uma Media Regional, and Jornal Labar k.

Investing in People	Male	Female
Number of adults enrolled in literacy programs ¹³	422	1,316
Number of people trained in maternal and/or newborn health and nutrition care through USG-supported programs	6,035	12,449

DIRECT BENEFICIARIES

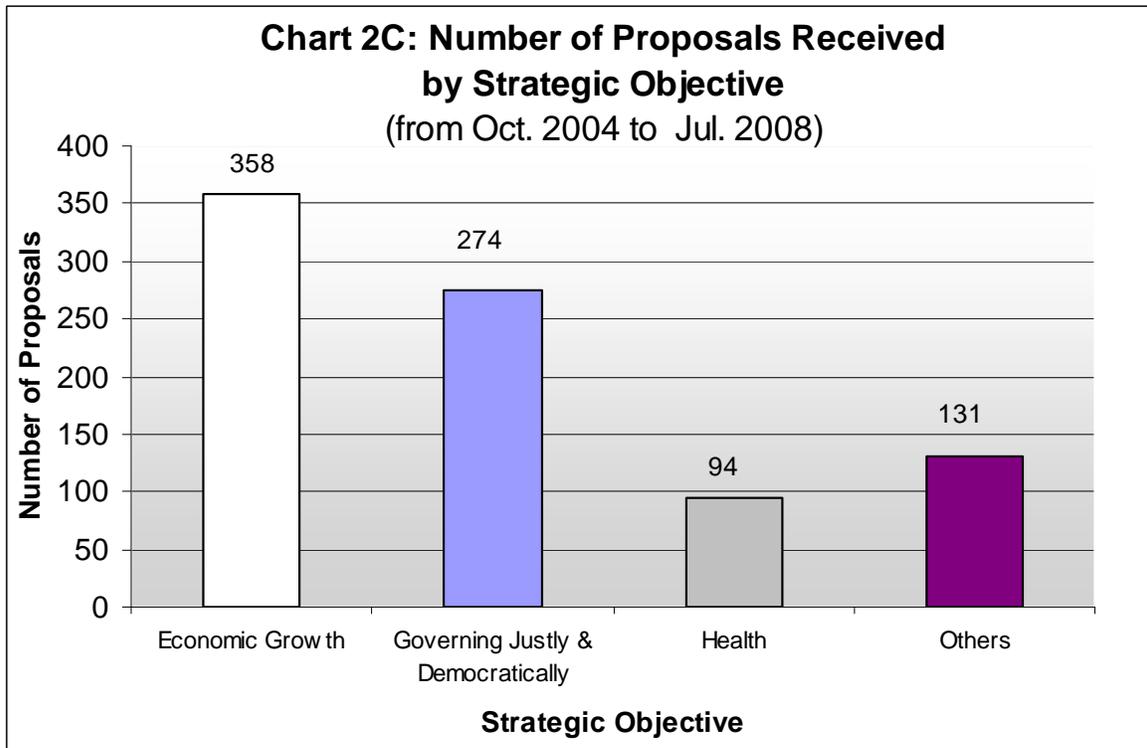
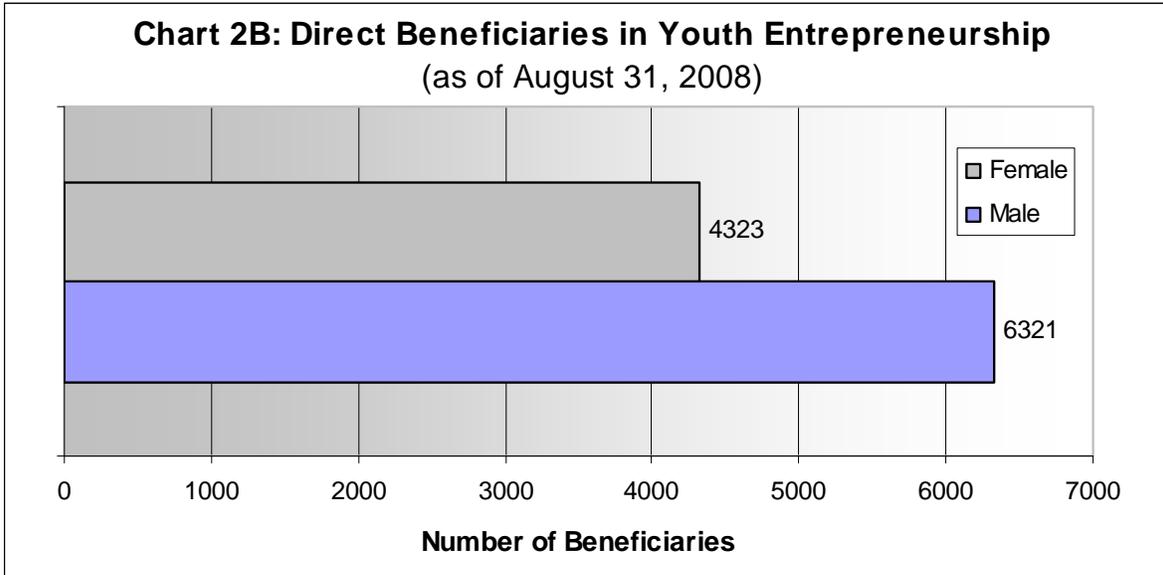
Chart 2A shows the total number of people directly benefiting from the grant activities across the USAID objectives since October 2004.¹⁴ Grants with public information or civic education components reach a much higher number of beneficiaries. Such campaigns primarily take place within the strategic focus areas of public information and health, which are designed to reach a large number of people in raising awareness on issues such as elections and public health. (The figures do not account for overlaps in the number of reported beneficiaries since several grant activities target the same populations.)



¹³ Data does not include viewership of literacy and numeracy promotional videos. Direct beneficiaries of three active grants during the previous reporting period has been updated to reflect the actual number of beneficiaries at the end of the program, thus male beneficiaries are less lower and female beneficiaries is slightly more than the previous reporting.

¹⁴ Backup documentation for direct beneficiary data is maintained in the SGP grants database.

Highlighting activities targeted at youth ages 15 to 29, Chart 2B shows the number of direct beneficiaries of SGP’s youth entrepreneurship programs since October 2004.



GRANTS MANAGEMENT

PROPOSAL STATISTICS

In the final reporting period, between April and July 2008, SGP received just four proposals. SGP's period for receiving proposals had closed at the end of December 2007. As the project realized savings from closed grants, it was able to fund a selection of proposals between January and April 2008. In July, after further savings were realized, SGP managed to fund one final grant for one month of bridge funding. The following tables and charts provide details about the number of proposals received over the life of the project and during this reporting period.

TABLE 1: PROPOSALS RECEIVED BY STRATEGIC OBJECTIVE, APRIL 2008 – JULY 2008¹⁵

	SO 1	SO 2	SO 3	Outside of Focus Areas	Totals
April	1	1	0	1	3
May	0	0	0	0	0
June	0	0	0	0	0
July	1	0	0	0	1
Total Proposals Received	2	1	0	1	4

TABLE 2: CUMULATIVE GRANT PROPOSAL DATA

	10/1/04-3/30/05	4/1/05-9/30/05	10/1/05-3/30/06	4/1/06-9/30/06	10/1/06-3/30/07	4/1/07-9/30/07	10/1/08-3/31/08	4/1/08-5/30/08	Totals
Proposals Approved	35	38	34	23	25	19	45	2	221
Proposals Rejected	104	115	87	52	86	49	94	2	589
Proposals Withdrawn	5	9	7	9	8	4	4	0	46
Proposals in Development	0	0	0	0	0	0	0	0	0
Total	143	162	128	84	119	72	143	4	856

¹⁵ DAI-SGP continues to categorize incoming grant proposals according to the Strategic Objectives (SOs) defined by USAID/TL's strategy for 2005-2009. The three SOs are: accelerating economic growth (SO1), improving good governance (SO2), and improving the health of the people of Timor-Leste (SO3). In contrast, reporting falls under the new Foreign Assistance Framework and Operational Plan.

FINANCIAL AND PROCUREMENT ACTIONS

Grants management for in-kind procurement was labor intensive with procurement and financial actions. The number of these actions (checking bid sheets, reviewing quotations from vendors, verifying purchase orders to vendors, approving financial transactions to grantees) during the life of the project amounted to a total value of \$6,534,516. This level of financial action required an intense level of continuous monitoring and oversight. Annexes I through V provide more detail about grant financial data.

SHORT-TERM PROGRAMMATIC ASSISTANCE

Over the life of the program, SGP has mobilized consultants and DAI home office staff to provide technical assistance in support of grants activities, to evaluate those activities, and to provide recommendations for USAID funding. The following table provides a list of deliverables produced under these short-term assignments.

TABLE 3: REPORTS PRODUCED BY STTA TO THE SMALL GRANTS PROGRAM

Report Title	Author(s)		Date Submitted
Report on Options for Financial Service Provision to Second-tier Microfinance Clients in East Timor	Ekkehard Esser	Microfinance/Banking Sector Specialist	April 2005
	Milissa Day	Microfinance Specialist	
Millennium Challenge Corporation Threshold Plan	Ulrich Ernst	Team Leader – Business Environment/Legal Framework Specialist	July 2005
	Rob Bobel	Macroeconomics/ Trade Specialist	
	Bertrand de Speville	Public Administration/ Anti-corruption Specialist	
Recommendations for Agriculture High School Curriculum Development in Timor-Leste	James Mangan	Agricultural Education Specialist	December 2005
Sustainable Improvements in Upland Agricultural Productivity and Incomes in Timor-Leste: Options for USAID Assistance	Jerry Martin	Team Leader – Agriculture Sector Programming and Policy Specialist (Phase 1)	February 2006
	David Tardiff-Douglin	Team Leader – Agriculture Sector Programming and Policy Specialist (Phase 2)	
	Merle Menegay	Horticultural Crop Productivity Specialist	
	John Leake	Livestock and Dairy Specialist	
	David Neubert	Food Crop Productivity Specialist	
	Syed Tahir Qadri	Agroforestry Specialist	
	John Jepsen	Agricultural and Rural Credit Specialist	
Youth Focused Employment Program in Timor-Leste: An Assessment and Design Report	Jack McCarthy	Education Program Sector Specialist	September 2006
	Brian Brewer	Education Program Sector Specialist	

Report Title	Author(s)		Date Submitted
Apprenticeship Survey and Design	Arthur Shears	Apprentice Pilot Program Survey and Design Consultant	September 2007
Assessment of the Effectiveness of Literacy and Numeracy Programs in Timor-Leste	Katy Anis	Literacy and Numeracy Program Evaluation Consultant	November 2007
Needs Assessments of Resource Organizations in Timor-Leste	Gerald Becker	Organization Needs Assessment Specialist	December 2007
Final Evaluation Report	Nancy Horn	Small Grants Program Final Program Evaluation Team Leader	May 2008
	Nancy Sheehan	Technical Specialist	
	Jana Hertz	Mid-level Evaluator/Coordinator	
Evaluation of the Hospitality Industry Internship Program: An initiative of the USAID Small Grants Program (USAID/SGP) in Timor-Leste	Jack McCarthy	Hospitality Industry Internship Program Evaluator	July 2008

CROSS CUTTING ISSUES

The USAID Mission Strategy defined a number of cross cutting issues that were to be a part of many of the grants programmed under SGP or a consideration in the design and implementation, with a special emphasis on beneficiaries. Environmental concerns, especially as economic growth begins to take off in the country, are vital to designing projects that help communities and businesses but do not have a detrimental effect on the environment. The appointment of an internal Environmental Officer in 2006, who worked closely with the Mission Environmental Officer, helped refine some of SGP's procedures in doing pre-surveys for activities that had a likely positive determination on impact.

Over the life of the project, youth beneficiaries became more and more important to the development community in Timor-Leste, especially following the crisis in 2006 and the significant unrest stemming from the youth community. Subsequent development studies and reports cite youth unemployment as one of the key drivers of the conflict in 2006 as well as the disturbances that have occurred more infrequently since that time. SGP concentrated on youth beneficiaries whenever possible but also realized through implementation with different partners that it was important to target activities to those that interested young people over the longer term as well as ensure a linkage between the youth beneficiaries or grantee partners and community members in the area to help improve output and project sustainability. See Chart 2B on page 39 for details.

Supporting activities with a gender balance, and in some cases concentrating solely on women's groups or activities that support women's income generation or credit, served to help improve results across numerous focus areas. Timor-Leste is fortunate to have a strong series of networks of women's groups and cooperatives throughout the districts, many of whom concentrate primarily on female beneficiaries understanding that the assistance and support will filter through to many of Timor's families through direct support to mothers. Sensitivity to cultural needs and demands was an important part of the SGP grant design for many grantees: certain grantees adapted the schedule of their classes based on the agricultural seasons to help ensure more women could attend courses and

balance their livelihood needs. When programming for female beneficiaries, it was also vital to have the program be flexible to allow for breastfeeding, care of children and other family considerations to ensure relevance and full participation.

The enclave of Oecusse was also given a special consideration under the project and SGP focused many of its initiatives there due to the strong cohesive, although disconnected, group of civil society actors in the enclave. Over the life of the project, 15 grants were focused on Oecusse, supporting more than 2400 beneficiaries in the separated enclave. In addition to considerations of travel and logistics, language issues complicate initiatives that may link in to nationwide activities in Tetum as the main language spoken in Oecusse is Baikeno and second is Indonesian. The twice weekly ferry from Oecusse to Dili was also frequently shut down for a period of days to weeks and travel plans were always changing. Difficulties crossing the Indonesian border also kept many Oecusse citizens from traveling by land, even when cut off from the capital and the rest of the country for more than 6 weeks at a time.

CONTRACT ISSUES

BUDGET REVISIONS AND MODIFICATIONS

Task Order #801 under the SWIFT II IQC was signed on 29 September 2004, and the East Timor Grants Program began on 1 October 2004. Originally, the total cost of the program was estimated at \$7,577,736, and the task order obligation was \$4,000,000. Over the life of the program, the contract was modified twelve times.

Modification #1, executed on 11 April 2005, changed the authorized geographic code for procurement of goods and services from “000 (US) and East Timor” to Geographic Code 941, allowing the program to purchase goods and services from any country, excluding the cooperating country and foreign policy-restricted countries.

Modification #2, finalized on 23 June 2005, increased incremental funding by \$3,200,000 for a total obligated amount of \$7,200,000, and transferred contracting officer responsibilities from American Embassy/Jakarta to USAID/Bangkok.

Under Modification #3, which was executed on 29 August 2005, the contract budget was modified to increase funding for short-term technical assistance.

Modification #4, executed on 24 March 2006, changed the Payment Office from the American Embassy/Jakarta to USAID/Cambodia.

In order to support emergency activities being implemented by Care, the total estimated cost and the obligated amount of the task order were increased by \$49,847.61 under Modification #5, which was executed on 26 May 2006.

The purposes of Modification #6, which was signed on 1 August 2006, were to:

- Extend the contract end date by two years to 30 September 2008;
- Increase the total estimated cost to \$13,346,381;
- Increase the obligated amount to \$10,799,848;
- Realign the budget and update the fiscal data; and
- Include the “Required Standard Graphics” clause.

Under Modification #7, executed on 18 September 2006, the total estimated cost and obligated amount of the contract were increased by \$38,000 to support Avian Influenza activities. Additionally, the geographic code was changed from 941 to 935, allowing the program to purchase goods from any country, including the cooperating country, but not from foreign policy-restricted countries.

Homeland Security Presidential Directive-12 and FAR 52.204-9 were included under Modification #8, signed on 29 January 2007.

Following a deterioration of security in Timor-Leste and the evacuation of expatriate staff, DAI submitted a proposed budget revision that was approved under Modification #9 on 7 March 2007.

Under Modification #10, signed 23 May 2007, the total estimated cost of the contract was increased by \$44,685, and the obligated amount was increased by \$2,591,218, fully funding the task order. Additionally, the key personnel positions were revised so that Kate Heuisler was named Chief of Party and Sherwin Reyes named Deputy Chief of Party/Administration Specialist.

Modification #11, signed 30 May 2007, revised the paying office.

Under Modification #12, executed on 29 April 2008, the operational budget lines were realigned and the LOE table was revised.

ADMINISTRATION

STAFFING CHANGES

Half of SGP's current team has been with the program since its inception. Many of those staff members began working with DAI in the early stages of implementation of the Program Support Initiative, which preceded SGP.

Unfortunately, in April 2005, SGP discovered that three local staff members were involved in fraudulent activity. Following their termination, SGP recruited new staff to fill those roles, but also proposed that an expatriate manager position be added to oversee the procurement department. Christian Stolz was mobilized in September 2005 as the Administration and Procurement Manager.

Lisa Rogers, Information Management Advisor, managed outreach and communications for USAID Timor-Leste for two years before announcing her intention not to renew her contract once the SGP contract was extended past September 2006. SGP conducted an extensive recruitment effort, receiving 94 applications from around the world. Dorelyn Jose was selected from a short list of twelve applicants and traveled to Dili to begin her assignment as Development Outreach and Communications Officer in November 2006.

In early 2007, SGP underwent a period of significant staffing changes following the departure of Chief of Party, Nick Hobgood, who had led the team in Timor-Leste since 2001. Following consultations between USAID Timor-Leste and DAI, the Contracting Officer approved the nomination of Kate Heuisler, Deputy Chief of Party, to fill the post of COP.

David Williams, who had led several grants programs with DAI, was mobilized to train Ms. Heuisler and to review the management structure of SGP. In May 2007, the Contracting Officer approved the staff changes recommended by Mr. Williams, who based his recommendations for staffing changes on interviews with all SGP staff and his review of the program's systems. Sherwin Reyes, Financial Specialist accepted the position of Deputy Chief of Party. The Administration and Procurement Manager role was expanded to include management and oversight of the grants manager team. An additional expatriate position was added and was later filled by Emre Ersenkal, who had provided home office backstopping support for two years and had traveled to the program to provide training and management support on three occasions. Under the previous structure, which included four expatriate managers, both the COP and DCOP provided significant management support and input to the Program Development team. Under the new structure Mr. Reyes maintained oversight of the project finances while taking on additional management responsibilities. The addition of the new role, Program Development Manager, again provided for a balanced four-person expatriate management team.

In June 2007, Christian Stolz, Grants and Procurement Manager, was selected for the Program Manager position on another USAID program implemented by DAI, the Conflict Prevention, Recovery and Mitigation Program based in Kenya. SGP identified and quickly mobilized Christy Ferguson to fill the role. Since the APM/GPM role was scheduled to end six months prior to the end of the SGP task order, Ms. Ferguson departed in March 2008 after training Timorese staff to take over her responsibilities.

In late July 2008, following completion of grants activities, Emre Ersenkal and Kate Heuisler departed from the project. Laurie Pierce traveled to Dili to serve as Acting Chief of Party and support Sherwin Reyes during closeout of the program.

SHORT-TERM ADMINISTRATIVE AND MANAGEMENT ASSISTANCE

SGP has benefited from the support of consultants and home office staff who worked to ensure that the program operated smoothly throughout its four years of programming. These STTA have assisted the program by setting up systems, reviewing and updating systems, fulfilling training needs, or providing additional support during intense periods of program activity. The following table lists the home office staff and consultants that have contributed to the effective administration of SGP. In addition to those listed below, temporary local consultants have provided support for international consultants and teams, such as the Final Program Evaluation Team, by collecting data and translating documents and interviews. During periods of increased activity or when permanent staff have been absent for extended periods, SGP required additional support from temporary local staff such as drivers, administration staff and information assistants.

TABLE 4: STTA TO THE SMALL GRANTS PROGRAM

		Results	Dates of Assignment
Colin Reynolds	Monitoring & Evaluation Specialist	<ul style="list-style-type: none"> Developed Performance Monitoring System based on USAID's strategic framework. Drafted indicator menu and data collection plan. 	November 2004
Caroline Nicholl	Strategy and Team Building Session Facilitator	<ul style="list-style-type: none"> Designed agenda for session based on team input. Facilitated session and produced report. 	April 2005
Ioana Bouvier	Geographic Information System Specialists	<ul style="list-style-type: none"> Set up system for collection of spatial data. Trained staff in maintenance of system, development of maps and map templates, procedures for exporting data and best practices for data management. 	February 2006
Robert Bouvier			March – April 2007
Erin Goodnough			
Emre Ersenkal	Acting Deputy Chief of Party and Monitoring & Evaluation Specialist/Trainer	<ul style="list-style-type: none"> Provided management and financial overview support. Reviewed M&E systems. Recommended and implemented methods for improved reporting. Trained M&E Specialist, Jose Avelar. 	September – October 2006 March – April 2007
Dejan Momirovic	IT Specialist	<ul style="list-style-type: none"> Conducted emergency repair of server. Updated software, conducted routine server maintenance and trained staff on server maintenance. 	November 2006
David Williams	Chief of Party Advisor and Management Reviewer	<ul style="list-style-type: none"> Provided training and support to newly-appointed COP, Kate Heuisler. Prepared closedown calendar. Recommended additional security measures and examined program files for completeness. Recommended changes in management structure to ensure all staff had management support required, following interviews with all staff. Prepared report of findings and recommendations. 	April – May 2007

		Results	Dates of Assignment
Bill Barkle	Program Management Advisor	<ul style="list-style-type: none"> • Provided management support during COP's absence. Worked with Program Development and Grants Management teams to develop grant ideas and budgets. • Recommended measures such as the introduction of formal 'kick-off' meetings with grantees following award and creation of activity/deliverable calendars, which have been implemented by SGP. 	June 2007
Laurie Pierce	Team Building and Strategic Planning Advisor	<ul style="list-style-type: none"> • Designed agenda for session based on team input. • Facilitated session and produced report. • Recommended measures that have been implemented by SGP, such as clearly defining management roles and providing training to all staff in use of M&E tools. 	August 2007
Jeson Ingraham	Reporting Coordinator	<ul style="list-style-type: none"> • Coordinated preparation of sixth Semi-Annual Report and prepared success stories. • Trained staff to improve English writing and general communication skills. 	October 2007
Barb Lauer	Management and Program Review Advisor	<ul style="list-style-type: none"> • Refined monitoring tools and trained staff. • Conducted mid-term reviews of Resource Organization and Hospitality Internship Program grants. 	March – April 2008
Christy Ferguson	Program Closedown Advisor	<ul style="list-style-type: none"> • Identified recipients for expendable inventory and developed calendar for distribution of all inventory. • Provided job search preparation training for staff. 	June – July 2008
Emily Green	Program Closedown Assistant	<ul style="list-style-type: none"> • Audited procurement, financial and M&E records. • Began distribution of inventory. 	July – August 2008
Laurie Pierce	Acting Chief of Party	<ul style="list-style-type: none"> • Led team during closedown phase. 	July – September 2008
Kate Heusler	Closedown Chief of Party Advisor	<ul style="list-style-type: none"> • Provided support from the US as needed. 	August – September 2008
Stamen Mitev	Closedown IT Coordinator	<ul style="list-style-type: none"> • Prepared IT equipment for distribution to local partners. • Dismantled servers and reassembled for partners. 	September 2008

SECURITY AND EVACUATION

In 2004, SGP enjoyed a relatively stable security environment with very few instances of grantee or implementation issues due to insecurity in the districts or in Dili. Following the crisis and evacuation of expatriate staff in May 2006, the situation was tenuous throughout the following year, although there were marked improvements after the arrival of International Stabilization Forces. Grantees reported problems with security in certain areas at different times during the contract – Dili and surrounds in May-July 2006, Baucau in August 2006, Viqueque in parts of 2007 leading up to and including the period around Parliamentary and Presidential elections and in Ermera for most of early 2008. Despite the insecurity, most grantees were able to remain on track or reported only slight delays, a good sign of some of the stability of operations in the district and the importance of local leadership and connections with local authorities and local police throughout project implementation.

CLOSE-DOWN PROCESS

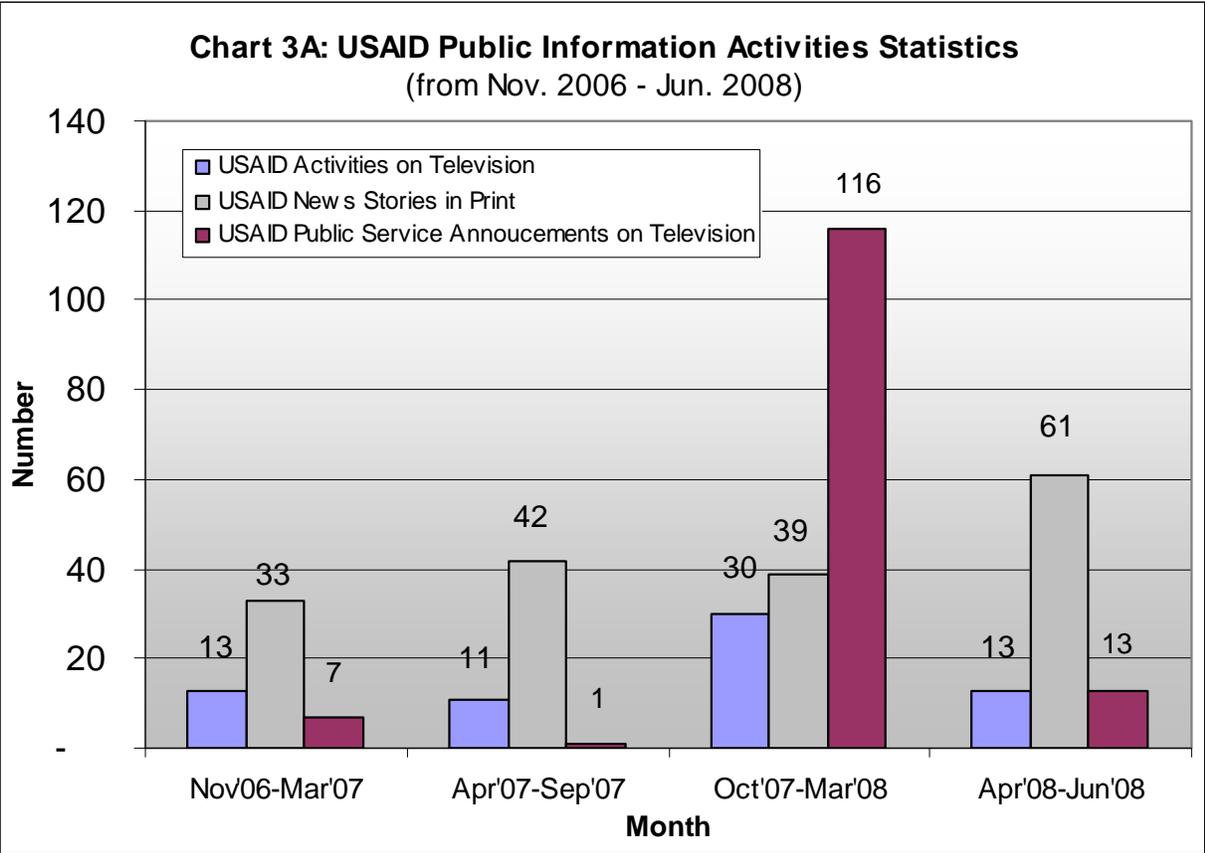
SGP obligated its total grant funds including realized savings from completed grants on April 30, 2008. On July 15, all grants were complete and all reporting requirements were fulfilled on July 31, 2008.

The disposition of non-expendable and expendable property gradually started in July and was completed on September 15, 2008. The schedule of actual transfer of expendable and non-expendable property is attached as Annex VI. Project files such as grants, human resource, procurement, finance and administration were packed and shipped to DAI Bethesda storage on August 30, 2008. Starting October 2007 through August 2008, project files were internally reviewed and audited by a team composed of three members coming from different sections. The former Grants and Procurement Manager was hired for 6 weeks as Closedown Advisor from June 11, 2008 to help the team establish a smooth and transparent closedown plan. In addition, the Project Associate from DAI Home Office was also deployed for seven weeks starting July 15, 2008 through August 30, 2008 to carry out the closedown activities. Starting in July 2008, SGP held bi-weekly closedown coordination meetings to ensure an efficient and systematic closedown process.

The Program Development Specialists and Grants Managers except for the DPS/IT and Senior Grants Manager ended their contracts on August 29, 2008. The second draw down was on September 12, 2008 – this includes all the remaining staff except the Operations and Procurement Manager, one Logistician, two Drivers and the Office Aide/Maintenance. The final closedown team composed of the DCOP, Operations and Procurement Manager, Office Aide/Maintenance, a Logistician and two Drivers will totally close the SGP office on September 30, 2008.

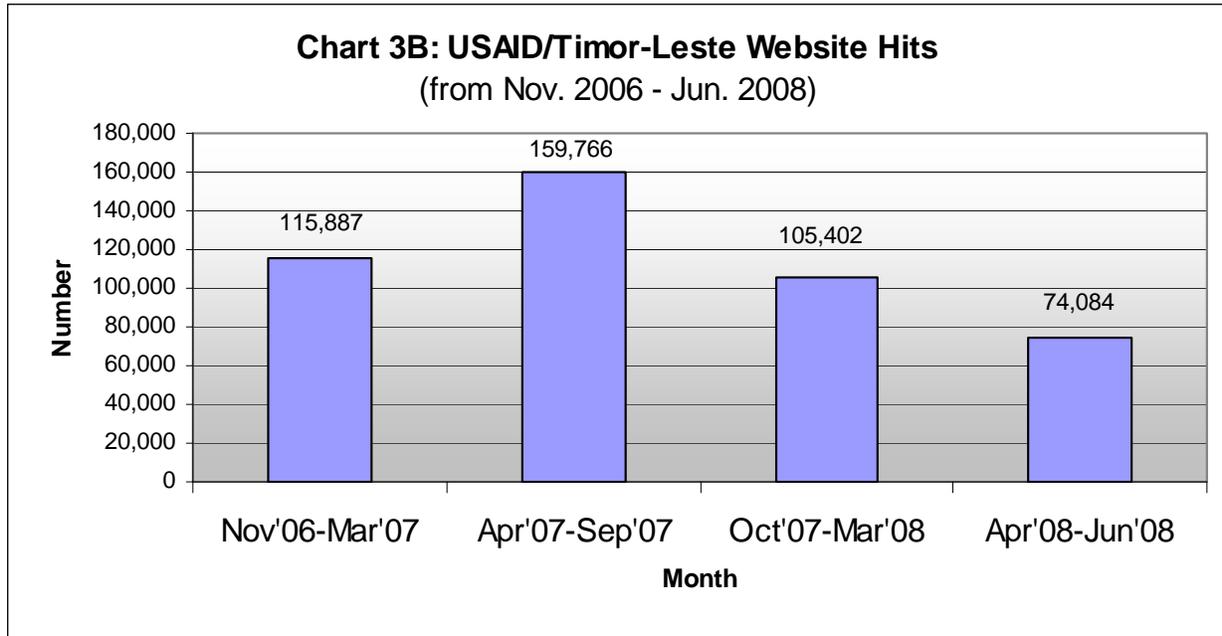
PROGRAM HIGHLIGHTS AND INFORMATION MANAGEMENT

Since 2003, DAI has worked closely to establish the information office for the USAID Mission and then staff various positions for the Mission over the course of the SGP project from 2004 to 2008. In 2004, the project continued to support Lisa Rogers, the previous Information Management Advisor on the PSI project, in a new role, seconded to USAID, as the Development Outreach and Communications Officer (DOCO). After discussions with the Mission, the DOCO was located at the DAI office throughout her term through September 2006. The DOCO’s initial mission concentrated on success stories and content for the USAID website as well as ad-hoc outreach and information activities for USAID Partners, the Mission and the U.S. Embassy. DAI also worked with USAID to introduce the national Information Officer position in February 2006. Mauricio Borges, the Information Officer, worked to help connect and make locally relevant USAID’s announcements, success stories and press releases and worked closely with local TV and radio media outlets to help increase outreach under the guidance of the DOCO.



The new DOCO, Dorelyn Jose, was contracted in October 2006, again under the SGP contract. The USAID Mission worked hard to refine the role of this position and look at new opportunities to be increasingly relevant to development stakeholders, connected to the local media and local communities

and help disseminate USAID’s messages around the country as well as to all of the website viewers globally. In 2006, the Information Team began to collect statistics on the success of their initiatives and USAID presence in the local media, the results of which can be seen in the charts and graphs throughout this section. Over time, the DOCO moved and was located full time at the Mission after securing the necessary clearances.



DAI greatly valued the position of the DOCO and the Information Office as it changed over time and enjoyed close working relationships with the office, allowing for maximum coverage of SGP’s many grantee and partner activities and accomplishments.

Summary of Activities During the Reporting Period

The Information Office continues to serve as a hub for communications and outreach activities that highlight the activities of USAID/Timor-Leste, its partners, and the U.S. Embassy.

Originally comprised of a DOCO and an Information Officer, the Information Office lost its Information Officer, Mauricio Borges, in early March, who left SGP to join UNMIT as a Political Affairs Officer. Since SGP was phasing out, recruiting a replacement for the position was deemed impractical. DOCO therefore carried out all the tasks originally performed by Information Officer on top of regular DOCO tasks during the reporting period, and solicited the assistance of other Mission staff for translation of information materials from English into Tetum.

USAID and U.S. Embassy activities were more prominently visible in the news during this period in print, television, on the radio, even online. This is mostly a result of two high-profile visits—first by Assistant Secretary of State Christopher Hill in April, and then by Millenium Challenge Corporation (MCC) Vice President John Hewko in May—which the Information Office publicized through both local and international media outlets. There were also a number of high-profile activities organized by partners, with assistance from the Information Office, which resulted in increased visibility for USAID activities

during this period. These activities included several activities by SGP in an effort to communicate its legacy during the phaseout period, such as: launch of Ulmera community tourism project; graduation of hospitality/tourism interns, and re-opening of Dili Tais Market. Other partners were also notably more active in publicizing their projects during this time, such as DAI-DSP, which launched a high-visibility campaign “Buy Local Products Now!” in the lead-up to the Restoration of Independence Day in May; International Center for Journalists, which led the celebrations for World Press Freedom Day in May and also launched Radio Akademika and a pilot journalism training course in cooperation with the National University of Timor-Leste in June. The participation of key Government officials also helped in soliciting wide media coverage of USAID activities during the reporting period. Chart 3A above shows statistics of USAID publicity realized for the contract period since the statistics have been collected at the start of the DOCO’s period of performance. Annex VIII contains a full listing of all information products generated between April and August of 2008.

PRINT NEWS

A total of 67 USAID-related news stories, including news on the MCC, were published in all 4 newspapers from April to June 2008. The media continued to pick up press releases issued by USAID, but also started developing news stories out of USAID media advisories and fact sheets produced and distributed by the Information Office prior to the event.

Several stories ended up on the front page, including the high-level visits already mentioned and the subsequent public debate resulting from the MCC delegation’s visit, the World Press Freedom Day celebrations, and the signing of the MOU between USAID and Ministry of Justice for strengthening property rights in Timor-Leste. The media also took considerable interest in regular activities of USAID partners even without the help of a media advisory or press release and produced positive reporting on CCT’s production, IFES’ civic education activity, and new project Democracy International’s training sessions at the Dili Institute of Technology.

Some in-depth news features on USAID’s activities also found their way in the pages of international publications such as South China Morning Post, a popular publication in Asia, as well as online venues including Timor Newline, IRIN (UN’s news agency), LUSA (Portuguese news agency) and the Australian ABC News. It is noteworthy that the international news agencies such as Reuters, Associated Press, Kyodo News, and others have also started attending USAID’s high-profile activities. Several news stories about USAID’s activities were also published in the Guide Post, an English language paper which has a wide circulation among foreigners in the country.

One activity that the Information Office was unfortunately not able to continue during this period was the translation of the highlight/success stories into Tetum and subsequent distribution to the local newspapers. This was a result of the departure of the Information Officer who used to do the translation and distribution of the materials.

TELEVISION AND RADIO

Twelve TV and radio news stories on USAID activities were monitored during the reporting period. Several USAID activities headlined the primetime news during the reporting period, foremost of which were the high-level visits. Other TV features, while they did not get headline billing, were given extensive coverage with relevant soundbites from Mission officials. Radio and TV covered the U.S. Ambassador’s visit to the enclave of Oecusse. Other out-of-town events that were covered by TVTL were the launch of

the Praia da Memoria in Ulmera and the pilot test of JOBS Opportunities program. The Information Office and TVTL have developed an excellent working relationship ensuring TV coverage of USAID activities, including site visits. This is largely because USAID activities have proven to be newsworthy and good TV material. Mission officials have also built a reputation for their approachability and willingness to answer questions.

Aside from the TV news, several productions assisted by the Small Grants Program helped maintain USAID's visibility throughout the reporting period. The series "It's My Life!" featuring young Timorese role models produced by Timor-Leste Media Development Center through a grant from SGP was played by TVTL every night before the news the whole month of May, taking off where the previous USAID series of public service announcements "New Heroes" left off. TVTL also gave primetime treatment to an SGP civic education video titled "Parliament for the People" explaining the roles and responsibilities of the Parliament.

The Information Office continues to reach out to various community radio stations, in addition to the state broadcaster Radio Timor-Leste, as part of its public information strategy.

NEW WEBSITE

The DOCO, supported by the DAI web team based in Bethesda, continued to work on the website redesign and content migration from the old website to the new website during the reporting period. Following a review by USAID staff and a pre-review by the relevant official of USAID/Washington's Legal and Public Affairs Bureau, the team is now finalizing and preparing to launch the new website. The team also dealt promptly with website security and vulnerability issues that arose during this time, and is preparing to hand the website management to USAID after the DAI contract expires on September 30.

The new website has added features designed to attract more traffic and promote USAID's activities more effectively.

It should be noted that the Information Office took care to keep updating the old website even while working on the new website, in order to keep the website active and not lose its current sizeable readership. See Chart 3B for details about web hits since 2006.

OTHER INITIATIVES

Close coordination between the DOCO and the USAID Technical Officers resulted in comprehensive coverage of the partners' activities, which were duly reported to the USAID Administrator in the form of Weekly Updates. The DOCO worked with the Deputy Program Officer in preparing the Weekly Updates during this period. The DOCO also continued to collaborate with the partners in producing success stories, resulting in three stories featured on the website during the reporting period.

DOCO also continued to assist the partners in organizing public events, preparing and finalizing press releases, clearing information materials such as project newsletters, providing technical assistance, and dealing with branding queries. DOCO has recently called USAID officers' attention to various branding issues, emphasizing that branding plays a central role in communicating USAID's image.

During this reporting period, more serious emphasis was given to media coverage monitoring. Due to the volume of media coverage received during this time, the DOCO made it a point to share with USAID

staff the weekly monitoring of USAID-related news. During this period, several USAID-related issues were very much in the public agenda as a result of the wide publicity they received.

PROJECT MANAGEMENT CHALLENGES

With more than 200 grants implemented over a four year period, SGP learned a great deal about how to design, implement and monitor future programs of this nature. The program identified eight broad areas of lessons learned: application and selection processes; grants management; monitoring and evaluation; organizational development/resource organization initiatives; collaboration with the private sector; collaboration with other USAID partners; thematic grouping (or clustering) of grants; and strategic focus and funding allocations. The program was successful in capturing lessons during real time implementation, enabling it to apply these to both ongoing grants through mid-course adjustments and to the design of future grants. In addition, SGP shared lessons of a program-wide nature with USAID on a regular basis, resulting in a collaborative decision making process that improved the program's efficacy and impact.

Some of the most salient program lessons were the need for early and regular socialization of the program's aims, remit and requirements; consistent minimum evaluation criteria for all grants across all USAID programs; a dedicated M&E function; early introduction of capacity building initiatives for the deepest possible penetration and application; a shared understanding of roles and responsibilities with collaborating USAID partners and a willingness to revise strategy based upon the dynamism of the operating environment. Specific lessons learned and recommendations may be found in Annex VII.

REFLECTIONS

In this report, DAI reflects on the legacy of the program and draws out three main themes as critical to its success and fulfillment of its mission in Timor-Leste. Key to the superior performance of the program and its partners was DAI's flexibility and adaptability while implementing an increasingly strategic initiative. Secondly, DAI spent key strategic and management time to help partners achieve results and demonstrate accountability for financial performance, improve organizational management and achieve their programmatic goals. We think that this emphasis on accountability and results should be a key part of any program design that includes grants programming; both to capitalize on the successes under SGP as well as to build on the levels of accountability and administrative rigor associated with SGP's implementation. Overall, the program's overarching defining characteristic was local capacity building. This objective was woven into project implementation through investment in SGP staff capacity building from the beginning of the program, and over time was also built into grant initiatives to improve both programmatic efficacy and organizational sustainability.