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ENDORSEMENT MEMO FOR ACTING DIRECTOR OF U.S. FOREIGN ASSISTANCE HENRIETTA FORE

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SUBJECT: Performance Report on Fiscal Year 2007 for Timor-Leste

Performance Report

FY 2007 was a challenging year for Timor-Leste. The country spent much of the period under a transitional Government struggling to recover from a political crisis that began in April 2006. At its peak, the resulting violence displaced over 150,000 people from their homes, and 70,000 are still estimated to be displaced of which 30,000 continue to live in precarious conditions in camps in and around the capital city of Dili. To date, the U.S. Government has provided nearly \$7.5 million in direct response to the crisis, including humanitarian assistance to an average of 28,000 internally displaced persons per month in FY 2007.

Presidential and parliamentary elections were held between April and June 2007, the first such national elections to be fully administered by the country itself. The elections were widely seen as Timor-Leste's greatest opportunity to move beyond the damaging effects of the crisis. The U.S. Government provided a comprehensive package of assistance in support of a free, fair, and transparent electoral process. U.S. assistance supported the official electoral bodies to prepare for and conduct the elections, political party training and development, civic and voter education efforts, a local electoral observation network that covered the entire country, extensive and balanced media coverage of the elections, and electoral violence prevention and monitoring efforts.

In a remarkable display of civic commitment, over 80 percent of registered voters turned out for two rounds of presidential elections and one round of parliamentary elections. All were conducted in a generally peaceful manner. While the overall results were accepted quickly, no single party obtained an absolute majority in the parliamentary elections, and the ensuing disagreement over the right to assume leadership unfortunately triggered fresh violence in the capital and especially in the country's east.

Besides facilitating successful elections, other U.S. Government-supported programs achieved solid results despite the instability of the past year. Agricultural activities were able to surpass their FY 2007 export targets. Coffee remains Timor-Leste's most important export commodity, and the USAID-supported coffee cooperative, Cooperative Café Timor, accounted for almost all of the country's non-oil exports. In addition, exports of cattle to Indonesia more than doubled in 2007 while vanilla, cloves, candlenut, and mungbeans appear to present substantial potential for future export growth.

In the health sector, over 1,700 people were trained in improved maternal and child health practices in FY 2007. As a result, 65 percent of children under one – over 25 thousand children – received their DPT3 immunizations, more than double the target. In addition, 578 of those trained delivered over 23,000 insecticide treated nets in FY 2007, providing the families of over 35,000 thousand children under five in seven districts with a scientifically proven method of protection from malaria. Assessments in two districts suggest between 80 and 94 percent of children whose families received nets are sleeping under them, an extremely high rate of utilization by world standards.

### Looking Ahead

In November 2006, USAID published a Conflict Vulnerability Assessment that identified the root causes of the crisis, critically examined its existing portfolio in light of the crisis, and recommended ways in which U.S. assistance might better respond to the causes and consequences of the crisis. Causes identified included disagreements and rivalries among Timor-Leste's political leaders; weak and politicized governance; severe inadequacies in the justice system; widespread absence of reliable information; and a disaffected, disillusioned, and largely disempowered population. The assessment reaffirmed the priorities of Economic Growth and Governing Justly and Democratically for U.S. assistance. The former emphasizes job creation and the expansion of agricultural production while the latter focuses on the development of a functional justice system and professional media sector.

The assessment made several recommendations for new activities to directly address the causes and consequences of the crisis. Accordingly, in FY 2007, USAID launched new programs in response to the recommendations. A land titling and registration program, a youth employment and training program, and a program to develop local public opinion surveying capacity will complement on-

going activities. U.S. assistance will also promote peace-building efforts, particularly among the country's youth.

However, budget projections for FYs 2008 and 2009 threaten to undermine the pursuit of the Secretary's transformational diplomacy goal in Timor-Leste. In FY 2008, the Administration only requested \$8.64 million of Economic Support Funds (ESF) for Timor-Leste against a historical Congressional appropriation of \$18 to \$20 million. The Department's FY 2009 request to the Office of Management and Budget was even less – \$8.14 million of ESF. At such levels, it will be difficult for USAID to sustain its commitments to certain key activities, mentioned above, that seek to address the underlying sources of instability and support social and economic development in Timor-Leste. Further, owing to the 2006 crisis and its ongoing effects, Timor-Leste's eligibility for assistance from the Millennium Challenge Account (MCA) has been compromised; the Millennium Challenge Corporation will review Timor-Leste's candidacy for a compact in December 2007. This planned reduction of U.S. Government engagement in Timor-Leste contrasts with the behavior of other donors, including China, which are ratcheting up their support. And the absence of a permanent USAID Representative only adds to the impression that Timor-Leste ranks low among the U.S. Government's foreign policy priorities.

With many of the underlying causes of the 2006 crisis still unresolved, the continuing presence of large numbers of internally displaced persons, and the newly-formed coalition government facing an uncertain political climate, the threat of civil unrest is ever-present. As a result, United Nations peacekeepers will almost certainly need to stay well beyond the end-date of their current mandate in February 2008. Furthermore, leading climate agencies have confirmed the development of a La Niña that will impact Timor-Leste at least until early 2008, with increased risks associated with monsoonal rains. Therefore, the U.S. Government will likely need to continue providing both food and non-food humanitarian assistance to the Timorese people. A robust ESF budget will also be needed to continue addressing the underlying sources of instability and help Timor-Leste get past the unfortunate events of 2006. This is all the more important given the delayed timetable for MCA assistance.

### Endorsement

I hereby provide my endorsement of the first phase of the FY 2007 Performance Report and FY08 Operational Plan for Timor-Leste as submitted.

## List of Acronyms

AIDS	Acquired Immune Deficiency Syndrome
BDC	Business Development Center
BSP	Basic Services Package
CCT	Cooperative Café Timor
DPT3	Diphtheria, Pertussis, and Tetanus (immunization)
FY	Fiscal Year
HIV	Human Immunodeficiency Virus
JSMP	Judicial System Monitoring Program
MFI	Microfinance Institution
MSME	Micro-, Small, or Medium-Sized Enterprise
NGO	Non-Governmental Organization
TV	Television
UN	United Nations
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
USG	United States Government

# East Timor 2007 Performance Report

## Operating Unit Performance Summary

FY 2007 was a challenging year for Timor-Leste. The country spent much of the period under a transitional Government struggling to recover from a political crisis that began in April 2006. At its peak, the resulting violence displaced over 150,000 people from their homes. The U.S. Government (USG) responded to the crisis by providing humanitarian assistance to 28,000 internally displaced people.

According to a November 2006 USAID Conflict Vulnerability Assessment, inadequacies in the justice system were a key cause of the crisis. USG assistance continued to support the long-term development of the formal justice system while accelerating more immediate access to justice through alternative dispute resolution and mediation. USG-supported legal aid groups more than doubled the number of cases resolved through mediation from 86 in FY 2006 to 194, cases that otherwise would have increased backlog in the courts.

Presidential and parliamentary elections were held between April and June 2007, the first national elections to be fully administered by Timorese authorities. The elections represented an opportunity to move beyond the damaging effects of the crisis but also constituted a potential flashpoint for renewed violence. The USG provided assistance to support a free, fair, and transparent electoral process. In a remarkable display of civic commitment, over 80 percent of registered voters turned out for three rounds of generally peaceful elections. While the overall results were widely accepted, no single party obtained an absolute majority in parliament, and the ensuing disagreement over the right to assume leadership triggered fresh violence in the country's east.

Despite the instability of the past year, USG-supported agricultural activities exceeded their FY 2007 export targets. Coffee remains Timor-Leste's most important non-oil export, and the USAID-supported Cooperative Café Timor accounted for virtually all of the country's exports while exports of cattle to Indonesia more than doubled. In the health sector, over 1,700 people were trained in improved maternal and child health practices in FY 2007, significantly above the target. As a result, 65 percent of children under one - over 25 thousand children - received their DPT3 immunizations and over 23,000 insecticide treated nets were provided to families with children under five.

All Mission activities are in full compliance with their 22 CFR 216 determinations.

<http://timor-leste.usaid.gov/>

### **Program Area Performance \ 2 Governing Justly & Democratically \ 2.1 Rule of Law and Human Rights**

Acting on the recommendations of a 2006 Conflict Vulnerability Assessment to increase the focus on citizens' access to justice and improve oversight institutions, USG assistance strengthened oversight institutions, trained administrative staff to improve basic services of justice institutions, expanded access to legal services and information, and supported key organizations - non-governmental and state - to monitor the fairness of justice system. A Rule of Law Assessment conducted in June 2007 further encouraged an

expansion of legal information and non-formal dispute resolution mechanisms.

Despite serious challenges, including a tense political environment and increased backlog from the 2006 crisis, significant improvements were achieved in the rule of law area in Timor-Leste in FY 2007. In June 2007, the first class of Timorese judges, prosecutors, and defenders graduated from the Legal Training Centre after 2-1/2 years of training and probationary status. One-third of the graduates were women, and the new appointments will reduce dependence on international personnel. The USG provided support to the UNDP Justice Sector Strengthening Project, which conducted the training. The USG helped the body overseeing the court to function more effectively through the placement of an international judicial inspector and the provision of secretarial services. In FY 2008, USG assistance will extend to the body overseeing the public prosecution.

The USG assisted the Office of the Provedor, an independent state body in its second year of operation that serves as citizens' recourse for complaints regarding corruption, maladministration, and human rights violations. The Provedor investigated 24 corruption cases, referring seven of these to the Prosecutor's Office. USG assistance also led to the expansion of legal aid services, especially for rural women as they are the least likely to have access to the courts. USG-assisted legal aid centers served a total of 645 poor people with 30 percent of cases resolved through mediation, up from 16 percent in FY 2006. Many citizens prefer resolving conflicts through mediation because it is faster, done within the community, conducted in local languages, and does not require travel or court fees. Community leaders prefer mediation as the decision is often reached by consensus with the wider community bearing witness. The legal aid centers further improved public awareness of laws and citizens' rights and responsibilities.

### **Program Element Performance \ 2 Governing Justly & Democratically \ 2.1 Rule of Law and Human Rights \ 2.1.3 Justice System**

Through its Access to Justice program, the USG significantly expanded legal services to remote areas and resolved an increasing proportion of civil and petty crime cases through mediation, thereby reducing backlog in courts. Legal aid centers resolved 30 percent of 645 cases through mediation, an increase from 16 percent in FY 2006. Legal aid centers prioritize rural women's access to legal services, and nearly a quarter of the clients served were women. Legal aid lawyers filled a critical gap in services, as there are only ten public defenders in the country. The USG supported up to 30 lawyers in legal aid centers, including mobile clinics that reach out to rural communities. Legal services and information will continue to expand although the number of legal aid partners supported by the USG will fall to six. These six groups have performed the best in terms of providing legal services to the poor over a wide geographic area. The USG also supported a local organization, the Judicial System Monitoring Program (JSMP), to monitor the courts. Monitoring efforts focused on the treatment of women in court and by the police to ensure fairness and equity. JSMP produces regular justice updates and press releases on important legal issues to keep the public informed.

In FY 2007 USG programs provided training to a total of 72 justice sector personnel against a target of 53, 25 percent of which were women. The USG helped the Office of the Provedor, the independent ombudsman, establish links with regional anti-corruption institutions by organizing comparative study visits to relevant institutions in Indonesia, Malaysia, and the Philippines. As a result, the Provedor will be able to access training courses in the region and has already benefited from additional training in corruption investigations by the World Bank. USG assistance also resulted in the Provedor's staff successfully evaluating 270 complaints submitted by citizens in only its second year of operation. For the first time, the Provedor referred seven corruption cases to the Prosecutor's Office. Finally, USG assistance improved basic

administration skills of 30 justice institution staff through the Financial Management Training Support Program, a 12-month program that develops budget planning and execution skills. Based on the results of pre- and post-tests, participants' knowledge and skills improved by an average of 14 percent for men and 16 percent for women.

## **Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.1 Rule of Law and Human Rights \ 2.1.3 Justice System**

The actual number of justice sector personnel that received training is above the FY07 target due to an additional course on corruption investigation skills offered in collaboration with the World Bank. The World Bank's grant for anti-corruption training may not be extended next year and so was not considered in setting FY08 targets. The overall proportion of women remains low (25%) due to fewer women recruited into the public service. The FY08 target for the number of justice sector personnel receiving USG training will be adjusted up to 53 from 40 based on the implementing partner's workplan for anti-corruption training for the Provedor's staff (23), and a second intake of financial management training, including a new executive level course (30). The target number of legal aid groups assisted by USG in FY08 will be reduced to six organizations in an effort to improve quality of services. USG will only partner with groups with a sound past performance in full compliance of best practice guidelines and a demonstrated commitment to expanding legal services to rural areas and vulnerable populations. Although the number of legal aid groups will be reduced, access to legal and mediation services will increase as these groups expand their coverage. The number of legal institutions supported by the USG will increase to seven in FY08 as USG assistance will extend to the oversight body for the independent prosecution services.

## **Program Area Performance \ 2 Governing Justly & Democratically \ 2.2 Good Governance**

Previous USG efforts supported the election of volunteer village-level leaders and councils by the people of Timor-Leste in 2004 and 2005. These local councils are to provide the building blocks for a decentralization process and development of municipal-level government over the next few years. The time frame for preparing and introducing decentralization has been measured and deliberate, based on comparative research by an interdisciplinary working group and broad public consultations.

The USG supported Government efforts to carry out public education on the village-level elections and councils. The village-level elections provided an important opportunity for the Timorese electoral authorities to conduct a series of local elections in advance of the 2007 national elections. The Government launched a training program in leadership and basic administration for the newly elected council members. USG assistance helped develop training materials and methods particularly suited to low-literacy participants. An estimated 41 percent of the village council members that participated in the training had no formal education or did not complete primary school.

A Conflict Vulnerability Assessment conducted in 2006 noted the widespread absence of reliable information and severely limited formal channels for communication in Timorese society. Recommendations for U.S. assistance included addressing information flow and supporting public opinion surveys. In FY 2007, the USG launched a new three-year program to improve the quality of quantitative research results on relevant decentralization and development topics for the Government, USG, and other stakeholders; and assist Timorese organizations to develop quantitative research skills to conduct public opinion surveys, project evaluations and impact assessments, field testing of public education materials, and other research projects as may be requested or contracted. The project will help develop a core group of

professional researchers among university staff, NGOs, and private companies; design and implement training programs for field researchers and university students; and conduct public opinion surveys and other research projects to provide information to Government planners and other stakeholders. The timeline of the program is designed to accompany the Government's pilot decentralization program but will also be useful to other USG programs. Because the program is new, results will first be reported in FY 2008.

### **Program Element Performance \ 2 Governing Justly & Democratically \ 2.2 Good Governance \ 2.2.3 Local Government and Decentralization**

USG assistance supported the first elections for volunteer village-level leaders and councils. The local authority law that defined the village councils provided for three reserved positions for women, two women representatives and two youth, one man and one woman. Many elected council members in rural areas have strong standing and respect in the community but limited education and literacy skills. Prior-year USG programs assisted the Government in developing appropriate training materials for low-literacy participants and conducting the orientation training for the village councils to introduce them to their new responsibilities. An estimated 4,800 village leaders participated in the Government training program on leadership and basic management skills. With USG assistance, the Government institution responsible for training public civil servants adapted the training materials for village councils. In order to accelerate the training program across the 442 village councils, the USG supported the formation of a partnership between the Government and 14 local non-governmental organizations (NGOs) and trained local NGO members as trainers in their local communities. The local NGOs brought the advantages of regional knowledge and local language to the training.

A new USG-funded program will support the next phases of the Government decentralization process through support of public opinion surveys and monitoring the response to the pilot decentralization efforts. FY 2007 targets assumed the program would begin prior to 2007 national elections, but the award was not made until the end of FY 2007, and project activities were therefore only able to begin in November 2007. In FY 2008, it is expected that at least four local mechanisms for improved communication between Government policy makers and the local communities will be established. These may include public opinion surveys, local council or municipality evaluations, or report cards on the decentralization program.

### **Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.2 Good Governance \ 2.2.3 Local Government and Decentralization**

The actual number of local mechanisms established in FY07 was zero as the project did not initiate activities in time to hold a public opinion survey prior to the national elections. Field work for the new project begins in October or November. The FY08 target of four mechanisms remains the same with an anticipated four surveys or evaluation studies that will bring citizens' voices to the policy-makers, in particular in relation to the pilot activities for decentralization. The indicator "Number of local and non-governmental and public sector associations supported with USG assistance" will be deleted as no longer relevant for measuring for USG programs. The FY07 target of one additional network was not met. The target reflected the possibility of establishing a village council association. This did not occur due to the additional effort put toward the three rounds of national elections. Working toward this objective is not within USG funded programs for FY08 so if it occurs it would not be directly attributable to USG support.

### **Program Area Performance \ 2 Governing Justly & Democratically \ 2.3 Political Competition and Consensus-Building**

The 2007 national elections were a critical milestone for Timor-Leste, as they were the first national elections fully administered by Timorese authorities. The elections followed the political and security crisis of 2006, which shook the foundations of the new country and increased fears of election-related violence. Consistent with the recommendations of a 2006 Conflict Vulnerability Assessment, USG assistance targeted the potential for electoral violence and continued to train Timorese to manage and oversee the process. The UN and other international donors also increased support and mobilized several international observer teams. Despite some logistical concerns, the elections for a new president and legislature were generally recognized by international and national observers as peaceful, fair, and credible. The high levels of Timorese participation as party agents, election monitors, and polling staff enhanced transparency and confidence in the electoral process. No candidate or political party challenged the validity and outcome of the elections, an improvement over UN-administered elections in 2001. The broad acceptance of the 2007 electoral process and results could lay the basis for cross-party collaboration on electoral reform.

The USG invested heavily in developing Timor-Leste's electoral system and increasing citizen participation through programs totaling \$9.5 million since 2001. Promoting women's political participation has been a priority of all programs, including political party training, voter education, domestic election monitoring, and support to the election management bodies. These inputs have increased the participation of Timorese women in politics. Party candidate lists were required to include one woman for every four candidates during the 2007 elections, and the share of women in the National Parliament is now 29 percent, an increase from 26 percent and a commendable percentage worldwide. The Parliament elected a woman as one of its two Vice Presidents, and one of the 14 competing political parties was led by a woman. During the presidential elections, a female candidate stepped forward to run for the first time. One-third of the members of the independent National Elections Commission are women, and the Government agency responsible for election administration was led by a female Minister. At the level of voting stations, women comprised over 30 percent of the polling staff and 47 percent of the total voters.

### **Program Element Performance \ 2 Governing Justly & Democratically \ 2.3 Political Competition and Consensus-Building \ 2.3.2 Elections and Political Processes**

USG assistance increased public discussion on the draft election laws through a series of roundtable discussions, seminars, and media programs. Journalists attended workshops on the drafts and final election laws to improve their coverage. The USG supported the independent National Election Commission with advisors and training to review electoral regulations; conduct public outreach, including a series of interactive discussion programs on electoral issues; manage tabulation centers; and deliver verdicts on electoral complaints. Seven lawyers were trained in election law, which processed 365 total complaints. Each election resulted in fewer complaints, and the Commission progressively improved its responsiveness.

The USG, in collaboration with UNDP, supported two phases of political party training on campaign techniques and the electoral law, reaching 769 participants, 19 percent of which were women. A total of 1,290 party agents were trained, and 22,000 manuals and 35,000 standard complaint forms were distributed. Election observers noted that nearly every one of the 708 polling stations throughout the country had at least one party agent present, usually several. A local NGO held training workshops for 118 women, of which 47 became party candidates and 71 served as party agents.

The USG also supported a local election monitoring coalition, which mobilized over 1,000 observers for the presidential elections and 1,224 for the parliamentary elections. Women comprised 40 percent of the

observers, and the coalition represented 54 percent of all domestic observers. The coalition trained its own observers and trained other observer groups supported by UNDP. Observers shared information on security concerns with police during the campaign period, held regular press conferences on the results, and developed training manuals and standard check lists.

Voter education efforts resulted in voter turn-out of more than 80 percent for three rounds of elections, and the percentage of valid votes increased from 95 to 98 over the course of the three rounds. The USG supported the production of voter education materials by Timorese electoral authorities that reached a majority of voters, including picture-based posters on valid versus invalid votes for low-literacy voters; a video documenting the outcome of the presidential elections and preparing voters for the parliamentary elections; and a guide on voting and counting procedures.

## **Program Area Performance \ 2 Governing Justly & Democratically \ 2.4 Civil Society**

The FY 2007 USG program in civil society emphasized the strengthening of independent media and access to information in collaboration with other on-going USG-funded programs that improved networking and advocacy skills of local NGOs and Government communication skills. A 2006 Conflict Vulnerability Assessment identified access to reliable news and information on current affairs outside the capital city of Dili as a serious problem contributing to the sense of insecurity during the recent political and security crisis. With Portuguese assistance, the Government of Timor-Leste expanded the reach of the national television station, the only TV channel, to half of the country's district capitals between elections, providing a platform for voter and civic education messages and news. USG programs increased access to news and information during the critical period leading up to the national elections in 2007, making use of the broader reach of TV for video programs and expanding radio coverage and programming. The USG provided practical training to 90 journalists to research and develop in-depth stories in the lead up to the elections.

Media outlets face continuing problems with financial sustainability and high turnover of staff, limiting their ability to specialize in certain subjects. Journalists received orientations in particular topics, such as the court system, briefings on new laws, environmental issues, and election workshops so that they might better understand the topics and provide wider access to information to the public. While the constitution provides strong guarantees for a free press, criminal penalties for defamation threaten press freedom. The USG-supported media program enabled Timorese journalist associations to join forces and successfully advocate for a seat at the table in drafting media laws. Media law, improving investigative journalism skills, and information dissemination remain priorities of the program in FY 2008. Special topic trainings will include the budget process and corruption in order to strengthen the media's role in accountability and transparency, reinforcing other USG programs and priorities. The USG has been the lead donor in independent media in Timor-Leste since 2001.

## **Program Element Performance \ 2 Governing Justly & Democratically \ 2.4 Civil Society \ 2.4.2 Media Freedom and Freedom of Information**

In FY 2007, the media sector made considerable progress on some fronts and suffered setbacks in others. Professionalism improved, but further progress is needed. Sustainability of media outlets is a continuing challenge. The legal and regulatory environment for media is unclear, and issues such as criminal defamation could have a chilling effect on the media. The gains achieved in the population's access to information during the election period may not be sustainable, given restructuring and maintenance issues at the national broadcast service, inconsistent distribution of newspapers outside the capital, and lingering

management and equipment problems at community radio stations.

The USG provided training and technical assistance to 17 media outlets – 14 broadcast and 3 newspapers – focusing on improving professional skills and capacity; enhancing media management skills; building awareness and advocacy with respect to key media law and regulatory issues; and augmenting the media's ability to reach populations throughout the country. To cover the national elections, 90 journalists – 21 women – received training. Journalists from different media outlets pooled coverage of the presidential elections, enabling district-based outlets faster access to national reports. An Elections Media Center was established for the National Elections Commission to hold press conferences for journalists and elections observers.

The Government prepared a draft media law, initially without consulting media stakeholders, but the USG facilitated discussions between a group of media representatives and the Government's media law advisor on the draft law. The media community then organized a commission with broad media representation to monitor proposed legislation affecting freedom of expression and the press and to lobby the Government, civil society, and the wider community. This group successfully opened up the Government's draft law for broader discussion and consultation with stakeholders, thus ensuring transparency and awareness of its impact. The relevant parliamentary committee has also promised to hold hearings on any draft legislation related to media and social communication. No media laws were enacted over the past twelve months in Timor-Leste, which was a better outcome than having a poorly prepared law pass without input from journalist associations or other media representatives. Therefore, FY 2007 targets for improving media laws will shift to FY 2008.

#### **Element Indicator Narrative \ 2 Governing Justly & Democratically \ 2.4 Civil Society \ 2.4.2 Media Freedom and Freedom of Information**

The USG provided technical assistance to: nine district-based community radio stations, four capital city community radio stations, two daily newspapers, one district-based newspaper, and the state-owned national television and radio broadcast service. For the presidential elections 41 journalists (female nine and male 32) received training. For the parliamentary elections 49 journalists (female 12 and male 37) participated in USG training. Indonesian media legislation still applies with the exception of UN regulations administering the Public Broadcasting Service and the allocation of radio frequencies. The USG implementing partner anticipated changes in the media law and established a target of five positive modifications. A package of draft media laws was prepared in FY07 but the drafting process initially excluded the voice of Timorese media professionals. The USG program provided legal and technical support to local media professionals to lobby government for a voice in the development of the media regulatory framework. The government accepted a broader consultation process delaying the draft laws and none were enacted to date. Although the actual number of modifications is zero, this is a more positive outcome than passage of poorly drafted laws that had no input from the media stakeholders. The FY07 target will pass to FY08. Quality, editorial control and financial sustainability categories of the media sector have improved during the year.

#### **Program Area Performance \ 3 Investing in People \ 3.1 Health**

U.S. assistance addresses Timor-Leste's high rates of maternal and child mortality; high prevalence of infectious diseases, such as malaria, pneumonia, diarrhea, and tuberculosis; high prevalence of malnutrition; and poor quality and coverage of basic health services. Efforts to improve family planning and reproductive health practices, including child spacing, are a new area of focus for which results will first be reported in

FY 2008.

In FY 2007, U.S. assistance contributed significantly to the development and roll out of the Basic Services Package (BSP), which will guide all facility and clinical interventions going forward in Timor-Leste. USG support helped cement the application of the globally recognized Integrated Management of Childhood Illnesses clinical methodology within the BSP. It also raised the profile of combating malnutrition within the BSP and, more specifically, helped reorient the national nutrition strategy to focus on infant and young child feeding, including through exclusive breast feeding and complementary feeding.

Over 1,700 people were trained in improved maternal and child health practices. As a result, 65 percent of children under one - over 25 thousand children - received their DPT3 immunizations, more than double the target. In addition, 578 of those trained delivered over 23,000 insecticide treated nets in FY 2007, providing the families of over 35,000 thousand children under five in seven districts with a scientifically proven method of protection from malaria, one of the leading causes of death among children under five in Timor-Leste. Assessments in two districts suggest between 80 and 94 percent of children whose families received nets are sleeping under them, an extremely high rate of utilization by world standards.

The USG is an active member of the local Country Coordinating Mechanism providing oversight of programs funded by the Global Fund to Fight AIDS, Tuberculosis, and Malaria. In FY 2007, USG-supported technical assistance was instrumental in obtaining the Global Fund's approval for a five-year, \$9 million HIV/AIDS prevention and treatment program.

Major challenges encountered during FY 2007 included ongoing instability related to the 2006 crisis, the general lack of human resources within the public health system, and the limited capacity of the principal implementing partner's local staff, all of which limited the reach of USG-supported programs.

### **Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.6 Maternal and Child Health**

The USG supports the Ministry of Health at the national, district, sub-district, and community levels to deliver scientifically proven preventive and curative interventions.

At the national level, in FY 2007, U.S. assistance contributed significantly to the development and roll out of the Basic Services Package (BSP), which will guide all facility and clinical interventions going forward in Timor-Leste. USG support helped cement the application of the globally recognized Integrated Management of Childhood Illnesses clinical methodology within the BSP. It also raised the profile of combating malnutrition within the BSP and, more specifically, helped reorient the national nutrition strategy to focus on infant and young child feeding, including through exclusive breast feeding and complementary feeding.

In FY 2007, over 1,700 people were trained in improved maternal and child health practices. As a result, 65 percent of children under one - over 25 thousand children - received their DPT3 immunizations, more than double the target. In addition, 578 of those trained delivered over 23,000 insecticide treated nets in FY 2007, providing the families of over 35,000 thousand children under five in seven districts with a scientifically proven method of protection from malaria. Assessments in two districts suggest between 80 and 94 percent of children whose families received nets are sleeping under them, an extremely high rate of utilization by world standards.

Results for certain other indicators fell short of their targets, in particular, the number of children reached by

nutrition interventions, those receiving Vitamin A, and those treated for diarrhea. Due to ongoing security concerns, these activities were limited to only two districts rather than the planned six. It is nevertheless expected that all six districts will be covered in FY 2008. In addition, Ministry capacity at the national and district levels, as well as the capacity of the principal implementing partner's local staff, was found to be much lower than originally anticipated, which contributed to the slow roll out of these activities.

At the community level, USG assistance supported formative research on behavior change for improved child health practices. Mothers in two districts were provided an opportunity to experiment with improved practices for a trial period, after which researchers obtained feedback on what was actually done and perceived benefits and difficulties.

### **Program Element Performance \ 3 Investing in People \ 3.1 Health \ 3.1.7 Family Planning and Reproductive Health**

At 7.8 children per woman, Timor-Leste has one of the highest fertility rates in the world. Such a high fertility rate, particularly when associated with short intervals between births, can pose serious health risks for mothers and children. In addition, it fuels population growth of 3.2 percent per year, with the population of youth aged 15 to 24 growing even faster at 3.7 percent per year. It has been shown that youth bulges, when combined with a lack of opportunities for employment, can contribute to civil conflict. Promotion of family planning and improved reproductive health practices is therefore not only important for improving maternal and child health in Timor-Leste, but also part of a response to certain conditions that can lead to conflict.

To date, USG assistance in support of family planning and reproductive has been limited to a small investment by USAID's Bureau for Global Health that focuses largely on child spacing. Despite the ongoing instability, the program resulted in nearly 10,000 family planning or reproductive health counseling visits at 56 service delivery points between December 2006 and September 2007. In FY 2007, the USAID Mission provided an additional \$1.25 million of assistance to accelerate and expand the program. Results will therefore first be reported by this Operating Unit in FY 2008. Key targets include training 60 people in family planning and reproductive health, increasing the number of service delivery points providing counseling to 80, increasing counseling visits by 20 percent, and raising the number of people exposed to family planning messages from virtually none to 8,000.

### **Program Area Performance \ 4 Economic Growth \ 4.3 Financial Sector**

Limited access to and the high cost of finance are among the major challenges entrepreneurs encounter in creating or expanding their micro, small, and medium-sized enterprises in Timor-Leste. In order to create greater economic opportunities, U.S. foreign assistance supports expanded access to credit and other services offered by financial institutions, especially for activities that are likely to raise agricultural productivity. Such interventions help connect the poor to economic opportunities created by a growing economy.

Financial services providers in Timor-Leste currently do not reach rural people and certain segments of the business community. The formal banking sector is composed of three foreign-owned banks. Each serves the mid to high end of the market. There are only four functioning microfinance institutions in Timor-Leste that provide services to the lower end of the market. Neither the banks nor microfinance institutions offer a loan product that facilitates investments in activities that are likely to raise agricultural productivity. However,

stimulating agricultural productivity is vital for income generation, poverty reduction, and sustained economic development in Timor-Leste. With FY 2007 resources, a partial loan guarantee program will be established in partnership with a commercial bank to encourage greater lending to agricultural enterprises and increase financial services to the rural areas. The program has not yet been initiated but is expected to be launched in the course of FY 2008. Results will therefore first be reported by this Operating Unit in FY 2008. Key targets include the extension of 100 loans mobilizing \$100,000 of private financing for rural and agricultural enterprises as a result of the partial guarantee.

#### **Program Element Performance \ 4 Economic Growth \ 4.3 Financial Sector \ 4.3.2 Financial Services**

Financial services providers in Timor-Leste do not reach rural people and certain segments of the business community. Currently, the formal banking sector is composed of three foreign-owned banks. Each serves the mid to high end of the market. There are only four functioning microfinance institutions in Timor-Leste that provide services to the lower end of the market. Neither the banks nor microfinance institutions offer a loan product that facilitates investments in activities that are likely to raise agricultural productivity. However, stimulating agricultural productivity is vital for income generation, poverty reduction, and sustained economic development in Timor-Leste. With FY 2007 resources, a partial loan guarantee program will be established in partnership with a commercial bank to encourage greater lending to agricultural enterprises and increase financial services to the rural areas. The program has not yet been initiated but is expected to be launched in the course of FY 2008. Results will therefore first be reported by this Operating Unit in FY 2008. Key targets include the extension of 100 loans mobilizing \$100,000 of private financing for rural and agricultural enterprises as a result of the partial guarantee.

#### **Program Area Performance \ 4 Economic Growth \ 4.5 Agriculture**

Eighty percent of Timor-Leste's population lives in rural areas and makes its living from subsistence agriculture. To achieve greater economic stability, promote economic growth, and ultimately reduce poverty, the country needs to transform the agriculture system from its current subsistence nature to one that is commercially oriented and self-reliant. The USG seeks to assist this effort by supporting interventions that stand to raise agricultural productivity. Despite the instability associated with the ongoing crisis, results for all indicators surpassed their targets in FY 2007. Twenty-six new technologies and management practices were made available for transfer, and 24 agriculture-related firms, one of which was a cooperative made up of 400 informal farmer groups, benefited from USG-supported interventions. To encourage large institutional buyers, such as supermarkets that cater to expatriates, to purchase locally produced agricultural commodities, U.S. assistance supported the development of cold chains for perishable products and, in particular, high-value vegetables.

USG-supported technical assistance also provided training to over 24,000 individuals to improve their production, processing, and marketing of commodities such as coffee, cattle, vanilla, high-value vegetables, cloves, and mungbeans for which markets have been identified. Training in improved agro-forestry practices and basic agribusiness skills was also provided. The vast majority of those trained are members of Cooperativa Café Timor (CCT), a cooperative association of coffee farmers originally established and nurtured with U.S. assistance that now exports a large share of its production as certified organic and fair trade coffee to Starbucks in the United States. While CCT's coffee operations are now fully sustainable, the USG is utilizing CCT's network of farmers to explore the viability of other commodities that offer opportunities to raise rural incomes. Livestock in particular appears to offer tremendous potential, with exports of cattle rising from 239 head valued at approximately \$60 thousand in FY 2006 to 630 head valued

at over \$155 thousand in FY 2007. Combined with the introduction of vanilla and mungbeans as new export commodities in FY 2007, both unanticipated at the beginning of the year, intra-regional exports of agricultural commodities targeted by USG assistance more than tripled in the course of the past year.

#### **Program Element Performance \ 4 Economic Growth \ 4.5 Agriculture \ 4.5.2 Agricultural Sector Productivity**

Given that 80 percent of Timor-Leste's population lives in rural areas and makes its living from subsistence agriculture, U.S. assistance seeks to enhance agricultural productivity and thereby help transform the country's agriculture system into one that is more commercially oriented and self-reliant. Despite the instability associated with the ongoing crisis, results for all indicators surpassed their targets in FY 2007. Twenty-six new technologies and management practices were made available for transfer, and 24 agriculture-related firms, one of which was a cooperative made up of 400 informal farmer groups, benefited from USG-supported interventions. To encourage large institutional buyers, such as supermarkets that cater to expatriates, to purchase locally produced agricultural commodities, U.S. assistance supported the development of cold chains for perishable products and, in particular, high-value vegetables.

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#### **Program Area Performance \ 4 Economic Growth \ 4.6 Private Sector Competitiveness**

Increasing the private sector's competitiveness is essential to improving economic conditions in Timor-Leste, which are hindered by a poor business enabling environment, low agricultural productivity, poor quality financial services, and a low-skilled workforce. In FY 2007, the USG supported the development of a one-year, post-high school certificate program in agribusiness. One hundred fifty-eight graduates of Timor-Leste's three agricultural high schools enrolled in the program to develop skills that will contribute to the transformation of the country's agricultural system from its current subsistence nature to one that is commercially oriented and self-reliant. U.S. assistance also strengthened the partnership between Timor-Leste's nascent private sector and the Government to jointly identify and resolve problems limiting private sector development and productivity. Forty-eight new members were added to USG-supported business associations, more than double the target, and four public-private dialogues were held between the Government and private sector. The Transport Association received a boost from the crisis that began in April 2006 and won a contract with the World Food Program to transport emergency food assistance

throughout the country. As a result, the association became majority self-funded, a key measure of sustainability. Unfortunately, the crisis was otherwise largely detrimental to the development of the private sector in FY 2007.

In response to the recommendations of a Conflict Vulnerability Assessment, the USG launched two major programs in FY 2007 to address the underlying causes and consequences of the crisis. The first will help the Government put in place an appropriate legal framework governing land and property ownership, conduct a comprehensive cadastral survey, establish a land titling and registration system, conduct public information campaigns and raise awareness of the importance of property rights, and mediate and resolve disputes arising due to competitive claims to land and property. The second will enhance the employability of 2,500 youth by engaging each in an individually tailored skills development program for one year, of which at least half will be devoted to on-the-job training provided largely through labor-intensive projects that increase access to markets and improve productive infrastructure in rural areas. Results for both programs will first be reported by this Operating Unit in FY 2008.

#### **Program Element Performance \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.1 Business Enabling Environment**

Secure land tenure and registration are essential to encourage domestic and foreign investment and thereby generate economic growth in Timor-Leste. In addition, since the crisis began in April 2006, the Government has realized that land tenure security is essential for the relocation of displaced persons and reconstruction that resulted from the crisis. As thousands of displaced persons return to their homes, land disputes are likely to continue to arise. Therefore, the Government has committed to implementing an effective land law.

U.S. assistance will help the Government put in place an appropriate legal framework governing land and property ownership, conduct a comprehensive cadastral survey, establish a land titling and registration system, conduct public information campaigns and raise awareness of the importance of property rights, and mediate and resolve disputes arising due to competitive claims to land and property. Initial funding for this five-year program was obligated in late FY 2007. Results will therefore first be reported by this Operating Unit in FY 2008. Key targets include the launch of a public information campaign regarding the importance of property rights, passage of a law governing land and property ownership in Timor-Leste, and the formal registration of 5,000 land parcels.

#### **Program Element Performance \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.2 Private Sector Productivity**

U.S. assistance strengthened the partnership between Timor-Leste's nascent private sector and the Government to jointly identify and resolve problems limiting private sector development and productivity. In FY 2007, 48 new members were added to USG-supported business associations, more than double the target, and four public-private dialogues were held between the Government and private sector. The Transport Association received a boost from the crisis that began in April 2006 and won a contract with the World Food Program to transport emergency food assistance throughout the country. As a result, the association became majority self-funded, a key measure of sustainability.

Less positively, the target for the number of firms reached with training to improve their management practices was not met. The USG intended to provide training through five Business Development Centers (BDCs) in Timor-Leste. However, results of an assessment of the BDCs found their staff lacked knowledge

and skills in basic economics, which limited their effectiveness in providing support to businesses. Following the assessment, the USG-supported program piloted a more targeted approach with the BDC located in the district of Baucau that focused on providing improved management practices to 55 agribusiness firms and microfinance institutions. The result was higher quality training, though for a more limited number of firms, including a joint training utilizing the International Labor Organization's program on stock control management. Future work with the BDCs remains uncertain, as the new Government is reviewing their role in its development plans.

#### **Program Element Performance \ 4 Economic Growth \ 4.6 Private Sector Competitiveness \ 4.6.3 Workforce Development**

Timor-Leste's low-skilled workforce is a drag on private sector competitiveness and thus economic growth and poverty reduction. In FY 2007, the USG supported the development of a one-year, post-high school certificate program in agribusiness. The program provides an opportunity for graduates of Timor-Leste's three agricultural high schools to further their studies and develop skills that will contribute to the transformation of the country's agricultural system from its current subsistence nature to one that is commercially oriented and self-reliant. A standardized curriculum emphasizes the development of skills in bookkeeping, management, financial modeling, marketing, credit, business law and regulations, and ethics. Such skills are further refined through the application of agribusiness case studies, practical projects, and the preparation of comprehensive agribusiness plans by the students prior to graduation. In September 2007, 158 students enrolled in the program.

The USG also initiated a youth employment and training program in FY 2007. Over a period of three years, the program will enhance the employability of 2,500 youth by engaging each in an individually tailored skills development program for one year, of which at least half will be devoted to on-the-job training. On-the-job training is expected to be provided largely through labor-intensive projects that increase access to markets and improve productive infrastructure in rural areas and responds to the demand of the private sector for practical experience among new recruits, a shortcoming among most vocational education and training programs in Timor-Leste. Complementary programs, such as life skills; psycho-social support and conflict resolution training, particularly for crisis-affected youth; language training; remedial education; and business skills training will ensure each beneficiary receives well-rounded preparation for employment, including, possibly, through self-employment. Funding for this three-year program was only obligated in late FY 2007. Results will therefore first be reported by this Operating Unit in FY 2008. It is expected that 500 beneficiaries will be participating in the program at that time, which, added to an additional 150 students in the one-year certificate program in agribusiness, will result in 650 youth participating in USG-supported workforce development programs in FY 2008.

#### **Program Area Performance \ 4 Economic Growth \ 4.7 Economic Opportunity**

Limited access to and the high cost of finance are among the major challenges entrepreneurs encounter in creating or expanding their micro, small, and medium-sized enterprises (MSMEs) in Timor-Leste, the largest segment of the economy and the providers of the majority of employment. In FY 2007, USG-financed technical support was provided to six microfinance institutions (MFIs), as well as a micro-finance association, to strengthen their management capacity and expand access to savings and credit country-wide. These MFIs collectively increased their largely rural client base from 25,000 in FY 2006 to nearly 27,000 in FY 2007, of which 75 percent are women. Savings deposits held by these MFIs exceeded \$1.5 million, and three-quarters of outstanding loans issued can be considered "poverty loans," significantly above the target.

In addition, 263 enterprises participated in USG-assisted coconut oil, horticulture, cattle fattening, and mungbean value chains, compared with a target of 100. The development of an export market for mungbeans was unanticipated and arose due to the extension of credit to mungbean farmers by a USG-assisted MFI and the provision of USG-supported technical assistance to improve production practices. In addition, 535 MSMEs received USG-supported business development services, compared with a target of 320. All of these results were achieved despite the challenges to private sector activity posed by the instability of the past year, which resulted in the closure of two MFIs during FY 2007. It is generally agreed that consolidation within Timor-Leste's microfinance industry is necessary and desirable, and the crisis merely served to accelerate the closure of certain MFIs whose viability was questionable. It is expected that results in FY 2008 will be positively impacted by the introduction of a partial loan guarantee program reported in the Financial Sector program area.

#### **Program Element Performance \ 4 Economic Growth \ 4.7 Economic Opportunity \ 4.7.1 Inclusive Financial Markets**

In FY 2007, U.S. assistance focused on improving access to financial services. Technical support was provided to six microfinance institutions (MFIs), as well as to a micro-finance association, to strengthen their management capacity and expand access to savings and credit country-wide. These MFIs collectively increased their largely rural client base from 25,000 in FY 2006 to nearly 27,000 in FY 2007, of which 75 percent are women. Savings deposits held by these MFIs exceeded \$1.5 million, and three-quarters of outstanding loans issued can be considered "poverty loans," significantly above the target. All of these results were achieved despite the challenges to private sector activity posed by the instability of the past year, which resulted in the closure of two MFIs during FY 2007. Indeed, the increase in the number of clients of USG-assisted MFIs is largely attributable to the expansion of one leading institution, Moris Rasik, which, as a result of U.S. assistance, increased its coverage to include Timor-Leste's eastern districts. It is generally agreed that consolidation within Timor-Leste's microfinance industry is necessary and desirable, and the crisis merely served to accelerate the closure of certain MFIs whose viability was questionable. However, owing to their closure, the USG will work with only four MFIs in FY 2008, two of which have already achieved operational sustainability. It is expected that results in FY 2008 will be positively impacted by the introduction of a partial loan guarantee program reported in the Financial Services program element.

#### **Program Element Performance \ 4 Economic Growth \ 4.7 Economic Opportunity \ 4.7.3 Strengthen Microenterprise Productivity**

In FY 2007, U.S. assistance sought to enhance the productivity of micro, small, and medium-sized enterprises (MSMEs), the largest segment of Timor-Leste's economy and the providers of the majority of employment. Strategies for doing so included: the expansion of services provided by the country's five Business Development Centers and other business development services providers; supporting the continued professionalization of the Transportation Association; the creation of a set of accounting standards for Timor-Leste and providing accounting skills training to companies; and the introduction of new commercial services into the market, such produce wholesale operations and trader networks. Despite the challenges to private sector activity posed by the instability of the past year, targets for this program element's indicators were surpassed. Two hundred sixty-three enterprises participated in USG-assisted coconut oil, horticulture, cattle fattening, and mungbean value chains, compared with a target of 100. The development of an export market for mungbeans was unanticipated and arose due to the extension of credit to mungbean farmers by a USG-assisted micro-finance institution and the provision of USG-supported technical assistance to improve production practices. In addition, 535 MSMEs received USG-supported business development services,

compared with a target of 320.

### **Key Issue Performance \ Reducing gender based violence and exploitation**

Gender-based violence is a serious concern in post-conflict Timor-Leste. However, the constitution provides a strong legal basis for gender equality, and the top political leadership has consistently demonstrated strong political will to address the issue. The Prime Minister's office includes a high-level advisory unit for the promotion of equality. The USG's Access to Justice program provides legal aid and conflict mediation services to isolated areas of the country with a particular focus on vulnerable groups, including women and children. USG-supported legal aid partners raised community awareness of gender-based violence as a crime and provided legal services to victims. USG-funded partners provided humanitarian assistance to an average of 28,000 internally displaced persons per month in FY 2007 and placed a high priority on preventing domestic violence and exploitation within the displaced persons camps. In all the USG-supported camps, women have representation in camp management teams to ensure that decisions take women's needs and vulnerabilities into consideration. USG programs promoted women in their role as peacebuilders in the dialogues between communities and internally displaced people to reduce conflicts and seek reintegration of displaced persons with their neighbors. In FY 2007, resources from the State Department's Office to Monitor and Combat Trafficking in Persons were awarded for an anti-trafficking program in Timor-Leste.

### **Key Issue Performance \ Local Organization Capacity Development**

USAID's November 2006 Conflict Vulnerability Assessment noted a severe lack of public opinion surveys and other research that would provide policy-makers with better information from citizens throughout the country. In FY 2007, U.S. assistance helped launch a new activity to develop quantitative research skills among local research organizations and universities to conduct public opinion surveys, project evaluations and impact assessments, field testing of public education materials, and other research projects. Rather than fund international organizations to conduct surveys or studies in Timor-Leste, the USG deliberately sought to work intensively with two or three local institutions to build quantitative research skills over a three-year period. The activity will help develop a core group of professional researchers among university staff, NGOs and contractors; design and implement training programs for field researchers and university students; and conduct public opinion surveys and other research projects to provide information to Government planners and other stakeholders. Activities are scheduled to begin in November 2007 with results first being reported by this Operating Unit in FY 2008.

### **Key Issue Performance \ Anti-Corruption**

The USG is a key donor to the Office of the Provedor, an independent body with the mandate to prevent and investigate corruption in Timor-Leste. The Provedor was recently established, completing its second year of operation in June 2007. USG assistance supported the training of new staff in the anti-corruption unit to review complaints, conduct investigations, leverage other donor resources, and establish formal links with regional anti-corruption institutions in Indonesia, Malaysia, and the Philippines. As a result of the training, the Provedor evaluated 24 citizen complaints related to corruption in 2007. Of these, the Provedor's office submitted seven corruption cases to the Office of the Prosecutor General for further investigation and criminal prosecution, marking the first corruption case referrals from the Provedor.

U.S. assistance also supported the Business Forum in its identification of issues affecting private sector development for discussion with Timorese Government officials. In FY 2007, the Forum raised various

issues related to corruption, including problems with customs procedures, electricity billing, and visas for immigration.

Finally, reports submitted to officials by a USG-funded advisor in the enclave of Oecussi led to Government action that halted the collection of illegal fees at the border with Indonesia.

### **Key Issue Performance \ Microenterprise**

The private sector in Timor-Leste is dominated by informal micro-enterprises. A poor enabling environment, low productivity, limited access to capital, and a low-skilled workforce constrain private sector development. Ongoing instability since April 2006 further aggravated the situation. Nevertheless, in FY 2007, USG assistance stimulated income generation through improved supply chains, addressed key knowledge gaps with literacy and numeracy education, supported micro-finance expansion, and improved commercial and legal frameworks for business. The number of clients of USG-assisted micro-finance institutions nearly reached 27,000, up from just over 25,000 in FY 2006, of which 75 percent were women. Three-quarters of outstanding loans were considered \"poverty loans.\" Total savings deposits held by USG-assisted micro-finance institutions surpassed the target of \$1.5 million. Targets for the number of micro-enterprises participating in USG-assisted value chains and receiving USG-supported business development services were surpassed while membership increased in business associations formed with USG assistance. Encouragingly, the Government has proved willing to dialogue with the private sector on policy issues that are important to develop a favorable investment climate.

### **Key Issue Performance \ Civil Society**

In FY 2007, efforts to strengthen civil society focused on the independent media and journalist professional associations as corner stones for achieving a better informed and engaged civil society. The Timorese constitution provides for freedom of expression and the right to inform and be informed. However, civic participation and grassroots organizations will be ineffective if they do not have regular access to news and information. A USG-funded independent media program supports the extension of news and information to rural communities by expanding distribution of newspapers and radio coverage. In addition, the USG supported local journalists and editors to join forces to advocate for better media laws and regulations. Local media associations lobbied successfully to participate in the development of a new media law following the preparation of a draft by the Government without any civil society input. The USG also provided training to journalists on the 2007 election laws and guidelines for balanced election coverage. During the first round of the presidential elections, 51 Timorese journalists - 22 percent women - pooled election coverage information, the first time Timorese journalists were exposed to pooled coverage, which enabled district-based media outlets to quickly receive election information from other parts of the country. Future training will include investigative journalism and financial sustainability of media outlets.

## 2 Governing Justly & Democratically - East Timor

### 2.1 Rule of Law and Human Rights\2.1.3 Justice System

#### Number of Justice Sector Personnel that Received USG Training

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
45	53	73	40	53	16	19	18	14	19	29	34	54	26	34

### 2.1 Rule of Law and Human Rights\2.1.3 Justice System

#### Number of Legal Aid Groups and Law Clinics

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
7	8	8	9	6

### 2.1 Rule of Law and Human Rights\2.1.3 Justice System

#### Number of Legal Institutions and Associations

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
5	6	6	6	7

1444

**2.1.3 Justice System narrative (no more than 1500 characters)**

chars

The actual number of justice sector personnel that received training is above the FY07 target due to an additional course on corruption investigation skills offered in collaboration with the World Bank. The World Bank's grant for anti-corruption training may not be extended next year and so was not considered in setting FY08 targets. The overall proportion of women remains low (25%) due to fewer women recruited into the public service. The FY08 target for the number of justice sector personnel receiving USG training will be adjusted up to 53 from 40 based on the implementing partner's workplan for anti-corruption training for the Provedor's staff (23), and a second intake of financial management training, including a new executive level course (30). The target number of legal aid groups assisted by USG in FY08 will be reduced to six organizations in an effort to improve quality of services. USG will only partner with groups with a sound past performance in full compliance of best practice guidelines and a demonstrated commitment to expanding legal services to rural areas and vulnerable populations. Although the number of legal aid groups will be reduced, access to legal and mediation services will increase as these groups expand their coverage. The number

**2.2 Good Governance\2.2.3 Local Government and**

**Number of Local Mechanisms Supported with USG**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	1	-	4	-

**2.2 Good Governance\2.2.3 Local Government and**

**Number of Local Non-Governmental and Public**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	1	-	1	n/a

1051

**2.2.3 Local Government and Decentralization narrative (no more than 1500 characters)**

chars

The actual number of local mechanisms established in FY07 was zero as the project did not initiate activities in time to hold a public opinion survey prior to the national elections. Field work for the new project begins in October or November. The FY08 target of four mechanisms remains the same with an anticipated four surveys or evaluation studies that will bring citizens' voices to the policy-makers, in particular in relation to the pilot activities for decentralization. The indicator "Number of local and non-governmental and public sector associations supported with USG assistance" will be deleted as no longer relevant for measuring for USG programs. The FY07 target of one additional network was not met. The target reflected the possibility of establishing a village council association. This did not occur due to the additional effort put toward the three rounds of national elections. Working toward this objective is not within USG funded programs for FY08 so if it occurs it would not be directly attributable to USG support.

2.4 Civil Society\2.4.2 Media Freedom and Freedom of Information

**Number of Journalists Trained with USG Assistance**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	75	90	200	-	-	15	21	50	-	-	60	69	150	-

2.4 Civil Society\2.4.2 Media Freedom and Freedom of Information

**Number of Media Outlets that Received USG-**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	16	17	16	17

2.4 Civil Society\2.4.2 Media Freedom and Freedom of Information

**Number of Non-state News Outlets Assisted By USG**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	14	16	14	16

2.4 Civil Society\2.4.2 Media Freedom and Freedom of Information

**Number of Positive Modifications to Enabling**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
-	5	-	-	5

1477

#### 2.4.2 Media Freedom and Freedom of Information narrative (no more than 1500 characters)

chars

The USG provided technical assistance to: nine district-based community radio stations, four capital city community radio stations, two daily newspapers, one district-based newspaper, and the state-owned national television and radio broadcast service. For the presidential elections 41 journalists (female nine and male 32) received training. For the parliamentary elections 49 journalists (female 12 and male 37) participated in USG training. Indonesian media legislation still applies with the exception of UN regulations administering the Public Broadcasting Service and the allocation of radio frequencies. The USG implementing partner anticipated changes in the media law and established a target of five positive modifications. A package of draft media laws was prepared in FY07 but the drafting process initially excluded the voice of Timorese media professionals. The USG program provided legal and technical support to local media professionals to lobby government for a voice in the development of the media regulatory framework. The government accepted a broader consultation process delaying the draft laws and none were enacted to date. Although the actual number of modifications is zero, this is a more positive outcome than passage of poorly drafted laws that had no input from the media stakeholders. The FY07 target will pass to FY08. Quality, editorial control and financial sustainability categories of the r



**3.1. Health\3.1.6. Maternal and Child Health**

**Number of women receiving Active Management of the Third Stage of Labor (AMSTL) in USG-supported programs.**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
				-

**3.1. Health\3.1.6. Maternal and Child Health**

**Number of newborns receiving antibiotic treatment for infection from appropriate health workers through USG-supported programs**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
				-

**3.1. Health\3.1.6. Maternal and Child Health**

**Number of newborns receiving essential newborn care through USG-supported programs.**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
				-

**3.1. Health\3.1.6. Maternal and Child Health**

**Number of cases of children reached by USG-supported nutrition programs**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	21825	12609	45816	21825
				-

**3.1. Health\3.1.6. Maternal and Child Health**

**Number of cases of child pneumonia treated with antibiotics by trained facility or community health workers in USG-supported programs.**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	2094	5579	3858	3858
				-

**3.1. Health\3.1.6. Maternal and Child Health**

**Number of children less than 12 months of age who received DPT3 from USG-supported programs**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	11935	25549	22085	40584
				-

**3.1. Health\3.1.6. Maternal and Child Health**

**Number of children under 5 years of age who received vitamin A from USG-supported programs**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	21825	5125	45816	21825
				-

**3.1. Health\3.1.6. Maternal and Child Health**

**Liters of drinking water disinfected with USG-supported point-of-use treatments product**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
				-

**3.1. Health\3.1.6. Maternal and Child Health**

**Number of child diarrhea treated in USAID-assisted programs**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	7727	2522	14215	14215
				-

**3.1. Health\3.1.6. Maternal and Child Health**

**Number of policies drafted with USG support**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	2	2	2	2
				-

**3.1. Health\3.1.6. Maternal and Child Health**

**Number of people covered by USG-supported health financing arrangements**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
				-

**3.1. Health\3.1.6. Maternal and Child Health**

**Number of USG-assisted service delivery points experiencing stock-outs of specific tracer drugs**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
				-

**3.1. Health\3.1.6. Maternal and Child Health**

**Value of pharmaceuticals and health commodities purchased by USG-assisted government entities through competitive tenders**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
				-

**3.1. Health\3.1.6. Maternal and Child Health**

**USG-assisted facilities' provider staff with a written performance appraisal**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
				-

**3.1. Health\3.1.6. Maternal and Child Health**

**Number of medical and para-medical practitioners trained in evidence-based clinical guidelines**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	100	718	300	790
				-

**3.1. Health\3.1.6. Maternal and Child Health**

**Number of health facilities rehabilitated**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
				-

**3.1. Health\3.1.6. Maternal and Child Health**

**Number of host country institutions with improved management information systems as a result of USG assistance**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	3	3	3	6
				-

**3.1. Health\3.1.6. Maternal and Child Health**

**Number of host country institutions that have used USG-assisted MIS system information to inform administrative/management decisions**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	3	3	3	6
				-

3.1. Health\3.1.6. Maternal and Child Health

Number of people trained in monitoring and evaluation with USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	100	337	150	400
				-

3.1. Health\3.1.6. Maternal and Child Health

Number of people trained in research with USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
				-

3.1. Health\3.1.6. Maternal and Child Health

Number of people trained in strategic information management with USG assistance

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	100	337	150	400
				-

3.1. Health\3.1.6. Maternal and Child Health

Number of baseline or feasibility studies prepared by the USG

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
				-

3.1. Health\3.1.6. Maternal and Child Health

Number of monitoring plan prepared by USG

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	1	2	1	1
				-

3.1. Health\3.1.6. Maternal and Child Health

Number of sector assessments conducted by the USG

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Environmente					Conflict					Gender					Other				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target

**3.1. Health\3.1.6. Maternal and Child Health**

**Number of evaluations conducted by the USG**

					Process					Result					Impact					Other				
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	3	4	3	6		3	4	3	6															

**3.1. Health\3.1.6. Maternal and Child Health**

**Number of special studies conducted by the USGr**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target

**3.1. Health\3.1.6. Maternal and Child Health**

**Number of information gathering or research activities conducted by the USG**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	3	7	3	7

1481 chars

**3.1.6. Maternal and Child Health (no more than 1500 characters)**

The target for 2007 on people to be trained in maternal/newborn health and nutrition was 25% of total number of people to be trained. However, the training completed 100% in two districts exceeded original target, so in 2008 the original target is revised to target remaining personels. The actual achievement for nutrition and Vitamin A was much lower because the program was only able to cover two of the six districts due to limited staff capacity and security reasons. The 2008 target is to cover all the six districts. The DPT3 coverage for FY07 was orginally targeted for 80% of children under one in six districts. However due to the support to the immunisation training at the national level, the program extended nation wide and able to reach 65% of the children under one year of age. The target for FY08 is raised to cover 100% of children under one nation wide. The FY07 target for number of medical and para-medical practitioners trained was 75% in three districts, however the actual achievement was higher because the immunization training involved country wide para-medical practitioners. The FY07 target for the number of people trained in monitoring and evaluation and number of people trained in strategic information were 50% for three districts. However, the results exceeded the target because the program completed

**3.1. Health\3.1.7. Family Planning and Productive Health**

**Couple-years of protection (CYP) in USG-supported programs**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
		1137	1500	-

**3.1. Health\3.1.7. Family Planning and Productive Health**

**Number of people trained in FP/RH with USG funds**

Number of women					Number of men									
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
		11	60	-			11	60						
														-

**3.1. Health\3.1.7. Family Planning and Productive Health**

**Number of counseling visits for Family Planning/Reproductive Health as a result of USG assistance**

Number of women					Number of men									
2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
		9933	12000				9436	11400				499		600

**3.1. Health\3.1.7. Family Planning and Productive Health**

**Number of people that have seen or heard a specific USG supported FP/RH message**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
		120	8000	
				-

**3.1. Health\3.1.7. Family Planning and Productive Health**

**Number of policies or guidelines developed or changed with USG assistance to improve access to and use of FP/RH services**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
		0	2	
				-

**3.1. Health\3.1.7. Family Planning and Productive Health**

**Number of new approaches successfully introduced through USG-supported programs**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
		3	4	
				-

**3.1. Health\3.1.7. Family Planning and Productive Health**

**Number of USG-assisted service delivery points providing FP counseling or services**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
		56	80	
				-

**3.1. Health\3.1.7. Family Planning and Productive Health**

**Amount of in-country public and private financial resources leveraged USG programs for FP/RH**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
				-

**3.1. Health\3.1.7. Family Planning and Productive Health**

**Number of service delivery points reporting stock-outs of any contraceptive commodity offered by the SDP**

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
		NA	12	
				-

1474 chars

**3.1.7. Family Planning and Productive Health (no more than 1500 characters)**

1) The actual data for 2007 for these indicators will be used as a baseline to set 2008 target. 2) The Couple Years of Protection results for FY 2007 achievement was gathered from the annual report produced at the end of Calendar year 2006. 3) Calculation for numbers of individuals counseled on Family Planning/Reproductive messages was based on "x %" of the total number of Family Planning consultation (assuming they have all been counseled) in this figure based on data available from HIS System. The 30% of the total number of consultations has been used, taking into consideration that counseling is not always done, and a certain number of those clients will be individuals returning for depo injections or pills and may not receiving counseling.4) Data on the indicator " Number of people that have seen or heard a specific FP/RH message" was collected from participants of community workshops organized by trained midwives that visited the community to give information on child spacing. The target for FY2008 is increased because the information dissemination on FP/RH will include activities like local drama, community radio, and film broadcasting in the villages. 5) FY07 data for SDP assisted and stock-out reports was not available in HIS. For FY 2008 we targeted 15% for " SDP reporting stock outs"

## 4 Economic Growth - East Timor

### 4.5 Agriculture\4.5.2 Agricultural Sector Productivity

#### # of agriculture-related firms benefiting directly from USG supported interventions

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	10	20	24	20	30

### 4.5 Agriculture\4.5.2 Agricultural Sector Productivity

#### # of individuals who have received USG supported short term agricultural sector productivity training

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	# of women					# of men				
						2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	525	800	24,071	1,200	26,000	157	240	7,649	360	8,000	368	560	16,422	840	17,000

### 4.5 Agriculture\4.5.2 Agricultural Sector Productivity

#### # of new technologies or management practices made available for transfer as a result of USG assistance

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	12	15	26	15	40

### 4.5 Agriculture\4.5.2 Agricultural Sector Productivity

#### # of rural households benefiting directly from USG interventions

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	500	760	27,571	1,160	30,000

#### 4.5 Agriculture\4.5.2 Agricultural Sector Productivity

##### Percent change in value of intra-regional exports of targeted agricultural commodities as a result of USG assistance

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	-	30	247	60	100

1497

#### 4.5.2 Agricultural Sector Productivity narrative (no more than 1500 characters)

chars

One of the firms benefiting from USG-supported interventions is a cooperative made up of about 400 informal farmer groups. The # of individuals receiving agricultural productivity training includes the cumulative membership of a USG-assisted cooperative, whereas the FY07 target was based only on new members receiving training for the first time. However, it is important to track the cooperative's cumulative membership because all members benefit from training offered by the program. Had we reported only on new members receiving training in FY07, the result would have been 2,947, still significantly above the target due to the expansion of the program to additional sites. The # of rural households benefiting from USG interventions is the same as those receiving agricultural productivity training plus 3,500 seasonal workers whose training is on-the-job rather than formalized. The % change in the value of intra-regional exports greatly surpassed the target, which was set with an expectation that the border with Indonesia would remain closed for an extended period due to the crisis. This was not the case, and the value of cattle exports to Indonesia more than doubled in FY07. Also, the program anticipated having to handle cattle procurement itself but instead was able to establish links with cattle traders, which allowed it to focus on improving cattle raising practices among farm

#### 4.6 Private Sector Competitiveness\4.6.1 Business Enabling Environment

##### # of secured titles issued to immovable property as a result of USG assistance

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
			-	1,000	-

##### # of alternative dispute resolution mechanisms put in

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	-	1	-	2	1

1103

**4.6.1 Business Enabling Environment narrative (no more than 1500 characters)**

chars

The activity to which these indicators apply was not contracted until late September 2007, the end of the Fiscal Year, and therefore none of the targets were met. Originally, targets were set for two indicators in FY08. However the indicator "Number of secure titles issued to immovable property as a result of USG assistance" is revised to zero in FY08 since the land law is not yet in place, and it may require a more protracted -- though more consultative -- discussion within the new Government. The target for the indicator "Number of alternative dispute resolution mechanisms put in place as a result of USG assistance" is reduced to one since the activity just started. Three additional custom indicators were identified to best measure the performance of this element: 1. Number of public information campaigns conducted as a result of USG assistance; 2. Number of national policies, and laws supporting property rights adopted as a result of USG assistance; and 3. Number of parcels registered as a result of USG assistance. Targets for these additional custom indicators have been set for FY08.

**4.6 Private Sector Competitiveness4.6.2 Private Sector Productivity**

**Number of business associations and trade unions that are at least 50 percent self-funded as a result of USG**

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	-	1	1	2	2

**4.6 Private Sector Competitiveness4.6.2 Private Sector Productivity**

**Number of firms receiving USG assistance to improve their management practices**

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	-	340	55	650	70

**4.6 Private Sector Competitiveness4.6.2 Private Sector Productivity**

**Number of new members in private business associations as a result of USG assistance**

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	-	20	48	40	40

4.6 Private Sector Competitiveness/4.6.2 Private Sector Productivity

Number of public-private dialogue mechanisms utilized as a result of USG assistance

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	2	4	4	6	6

929  
chars

4.6.2 Private Sector Productivity narrative (no more than 1500 characters)

The number of firms receiving USG assistance to improve their management practices was significantly less than the target. The USG originally intended to provide training to businesses through five Business Development Centers (BDCs) in Timor-Leste. However, results of an assessment of the BDCs found their staff lacked knowledge and skills in basic economics, which limited their effectiveness in providing support to businesses. Following the assessment, the USG-supported program piloted a more targeted approach with the BDC located in the district of Baucau that focused on providing improved management practices to 55 agribusiness firms and microfinance institutions. The result was higher quality training, though for a more limited number of firms. Because the new Government is reviewing the role of BDCs in its development plans, future work with the BDCs remains uncertain, and the FY08 target was revised downward.

4.6 Private Sector Competitiveness/4.6.3 Workforce Development

Number of persons participating in USG-funded workforce

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	100	158	750	650		30	22	225	195		70	136	525	455

4.6 Private Sector Competitiveness/4.6.3 Workforce Development

Number of persons completing USG-funded workforce

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	N/A	N/A	100	158				30	44				70	114

4.6 Private Sector Competitiveness\4.6.3 Workforce Development

Number of people gaining employment or more

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	N/A	N/A	75	119				22	36				53	83

4.6 Private Sector Competitiveness\4.6.3 Workforce Development

Number of people transitioning to further education and

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	Number of women					Number of men				
					2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	N/A	N/A	25	39				8	13				17	26

4.6 Private Sector Competitiveness\4.6.3 Workforce Development

Number of workforce development initiatives created

2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	N/A	N/A	1	1

593  
chars

4.6.2 Workforce Development (no more than 1500 characters)

In FY07, 158 students enrolled in a 1-year certificate program in agribusiness. The original FY07 and FY08 targets for the program assumed a slower start-up, with 100 students enrolled in FY07 and 250 enrolled in FY08. While the initial intake was higher than expected, the program's absorption capacity is likely to remain at approximately 150 students per year for the foreseeable future. This required a downward adjustment in the FY08 target for this indicator -- from 750 to 650. It is expected that 500 youth will initiate participation in a new employment and training program in FY08.

4.7 Economic Opportunity\4.7.1 Inclusive Financial Markets

Number of clients at USG-assisted microfinance institutions

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	number of women					number of men				
						2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	25,010	27,300	26,936	30,030	29,630	15,266	17,000	20,211	18,700	22,232	9,744	10,300	6,725	11,330	7,398

4.7 Economic Opportunity\4.7.1 Inclusive Financial Markets

Number of microfinance institutions supported by USG financial or technical assistance

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	6	6	6	5	4

4.7 Economic Opportunity\4.7.1 Inclusive Financial Markets

Percent of portfolio outstanding of USG assisted microfinance institutions held as poverty loans

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	51	60	74	75	75

4.7 Economic Opportunity\4.7.1 Inclusive Financial Markets

Percent of USG-assisted microfinance institutions that have reached operational sustainability

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	17	33	50	60	60

**4.7 Economic Opportunity\4.7.1 Inclusive Financial Markets**

**Total savings deposits held by USG-assisted microfinance institutions**

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	1,324,232	1,500,000	1,552,269	1,658,600	1,658,600

**827  
chars**

**4.7.1 Inclusive Financial Markets narrative (no more than 1500 characters)**

While USG assistance supported 6 MFIs in FY07, the FY08 target was revised to 4 because 2 MFIs closed down as a result of the crisis. It is generally agreed that consolidation within Timor-Leste's micro-finance industry is necessary, and the crisis merely accelerated the closure of some MFIs whose viability was questionable anyway. The closure of 2 MFIs in the course of FY07 explains the performance on the indicator "Percent of USG-assisted microfinance institutions that have reached operational sustainability." The FY07 target anticipated 2 out of 6 existing MFIs would achieve operational sustainability in FY07, and, in fact, 2 MFIs did achieve operational sustainability in FY07. However, owing to the closure of 2 MFIs in the course of FY07, this was out of a total of only 4 MFIs that existed at the close of FY07.

**4.7 Economic Opportunity\4.7.3 Strengthen Microenterprise Productivity**

**Number of micro enterprises participating in USG assisted value chains**

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	-	100	263	250	350

**4.7 Economic Opportunity\4.7.3 Strengthen Microenterprise Productivity**

**Number of micro enterprises receiving business development services from USG assisted sources**

	2006 *	FY 2007 Target	FY 2007 Actual	2008 Original Target	2008 Revised Target
	-	320	535	600	600

**515**

**4.7.3 Strengthen Microenterprise Productivity narrative (no more than 1500 characters)**

**chars**

The target for the number of micro-enterprises participating in USG-assisted value chains was surpassed due in part to the unanticipated development of an export market for mungbeans. A USG-assisted MFI extended credit to mungbean farmers, which were also provided USG-supported technical assistance to improve their production practices. A network of 535 micro-enterprises was established through the creation of a business directory in cooperation with the Business Development Center in the district of Baucau.

