

REVIEW OF THE SOCIAL AND COMMUNITY DEVELOPMENT FUND

NZAID: TIMOR-LESTE



FINAL REPORT

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The views expressed in this report are those of the authors and should not be attributed to NZAID or the New Zealand government.

NZAID has made minor edits to this report without changing its substance. These edits were to remove references to identifiable sources, and make minor corrections to grammar and spelling. NZAID's role in this editing does not mean it accepts ownership of the report as a whole.

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EXECUTIVE SUMMARY

Purpose

The purpose of the Review of the NZAID Social and Community Development Fund (SCDF) in Timor Leste was to determine the effectiveness, efficiency and relevance of the SCDF, and in light of these findings make recommendations for any improvements to ensure New Zealand's support for Timorese Civil Society Organisations (CSOs) aligns with Timor Leste and NZAID policy priorities and good practice. The Agency has an emphasis on focusing its aid strategically through fewer, deeper and longer engagements in the post-conflict context in Timor Leste.¹

Methodology

The Review was conducted in 2007 with a three-week in-country field assessment in October-November. The Review Team employed a number of research protocols including donor interviews, grantee interviews and project site visits, programme document reviews – including a comprehensive assessment of 11 grants - relevant professional literature and a feedback workshop for the review participants. The research was generally qualitative in nature other than percentages generated from the grant database analysis.

The emphasis of the methodology was participative, with many of the issues raised during the review shared with participants at the Feedback Workshop to assist in contextualising and confirming the lessons learned for quality, validity and relevancy.

Social and Community Development Fund

The overarching goal of the SCDF is to support projects that “contribute to the social and economic well-being of the most disadvantaged groups in society” in Timor Leste.² The NZAID country strategy for Timor Leste sits within the wider regional Asia Strategy for Southeast Asia; the central focus of the NZAID Asia Strategy is sustainable rural livelihoods. This is complemented by support in other sectors - education, good governance and human resource development.³

The SCDF was established in 2002, in response to the post-conflict needs of Timor Leste, and this is the first review of the SCDF. Grants have been awarded to NGOs, CBOs and government organisations for programmes that support the intended outcomes of the SCDF. Grants are available up to US\$25,000 through applications to the New Zealand Embassy in Dili.

Key Findings

Effectiveness and Efficiency

A database analysis was conducted using the management database generated by the Development Programme Co-ordinator (DPC) with the following results:

- SCDF has provided funding for 123 projects in the five years since July 2002, with a total spend of US\$1,285,395 at an average of US\$10,450.37 per project

¹ SCDF Terms of Reference (ToR): Purpose of the Review

² SCDF Guidelines

³ NZAID Assistance to the Asia Region, 2007, Making a difference in Asia, www.nzaid.govt.nz

- Funding in the key thematic areas include: Sustainable Livelihoods 48% or US\$618,853; Education 36% or US\$465,583; Good Governance 13% or US\$192,991; Human Resource Development 3% or US\$27,968.
- School Rehabilitation and Construction projects, particularly in Covalima District benefited significantly from SCDF (16% of total SCDF funds over that period). This was initially reflective of the presence of the New Zealand Defence Forces presence post-1999, but increasingly is reflective of the quality of NGO capability in that region and their understanding of the SCDF mechanism requirements.
- Since 2002/3 the SCDF has reached all districts, with the greatest frequency of grant activity in Dili (including Atauro Island), Baucau and Covalima Districts accessing 48% of the 117 grant locations.

11 grants were included in a comprehensive assessment which identified a number of lessons:

- Some of the capacity issues evidenced over the period from grantees are organisational – business planning, financial management and compliance report writing. Many used the support provided by the DPC to ensure proposals met guidelines
- The fund has an internal flexibility capacity e.g. multiple tranches provided for substantive projects and organisations
- SCDF has provided useful experience for Civil Society Organisations (CSOs) and suggests an efficient mechanism evidenced through multiple applications by several CSOs within one financial year. However, the capacity of CSOs to assess, design and measure impact of community development projects needs to be strengthened to ensure the strategic focus for NZAID and SCDF is met.
- Generally CSOs would benefit from better networking opportunities to share and collaborate with other organisations; several SCDF partners expressed their desire to have deeper and longer relationships with NZAID.
- There was evidence of ‘good development’ practice which NZAID should use to inform grantee capacity development.
- There was also early evidence of absorptive capacity within a few of the stronger grantee organisations suggesting that the SCDF portfolio includes stronger robust organisations as well as more nascent community-based groups.
- To date the success of SCDF is heavily weighted towards the mid-term and completion reports, and financial acquittal. The SCDF should to be adapted to ensure outcomes and impacts are measurable and achieved.

Management and Governance

- The management process for SCDF has been enhanced over the period and this has resulted in the development of the management database, a refinement of administration processes and the

capacity of the programme to offer an experienced point-of-contact for SCDF partners and other donors.

- The SCDF uses a range of risk management strategies – grant funding brackets according to experience, strength of proposal matched with skills and experience, financial systems and reporting capability, disclosure of experience with other donors (used as referee checks), links to the National Development Plan and support from District officials evidenced in proposals.
- Because of the nascent nature of many of the organisations that become SCDF partners there is a need to build capability against operational risk through strengthening strategic and business planning and financial management systems.
- Co-funding has been accommodated within SCDF funding and it can be used as part of a risk management strategy for both donors and grantee organisations alike. It can also provide opportunities for collaboration and confidence as well as yielding useful leverage for learning and support.
- Two constraints have been identified in the current SCDF design – compliance costs and its current resourcing needs.
 - Compliance costs: the main source of tension for the grantees is in the quality of the proposal and general report writing.
 - Resourcing needs: This can be accommodated in several ways – either more administrative support, reducing the number of grantees per annum or streamlining the programme focus.

Relevance

- In determining the relevance of the programme the Review considered a number of environment issues – conflict and violence, centralisation and de-centralisation, government and civil society, supporting and enabling environment for CSOs and government funded small grants programmes – which were evidenced in recent publications and raised in discussion with Government of Timor Leste (GoTL) officials; this provides a context that will inform CSO and therefore SCDF activity. This raised two issues that support CSOs and would support a more enabling environment.
 - All programme design should include strategies to anticipate and reduce tensions, and these should be clearly stipulated in the proposal
 - NZAID should continue to support existing mechanisms that facilitate constructive dialogue between the GoTL, donors and CSOs
- A number of operating environment issues were also identified: building community awareness to participate in development, weak capacity of civil society organisations, the high cost of doing business in Timor Leste, and the need for business planning. Given the nature of these issues, a number of explicit statements were developed that should be accommodated in the SCDF mechanism that will support efficiency and effectiveness for grantees.

- There should be an explicit focus within SCDF to ensure sustained community involvement and capacity development post-intervention.
 - There should be an explicit focus within SCDF to support organisational capacity development.
 - There should be a component in SCDF that covers administration costs e.g. a possible 10% - 15% is suggested
 - There should be an explicit focus within SCDF to support programme and business planning capacity.
- An analysis of three other donor small grants programmes was included to highlight the differences and similarities to SCDF and draws some useful differences that SCDF could accommodate. These include a geographical focus on specific districts, ensuring proposals make explicit how they link into the fund's strategic objectives and focus areas, and making explicit the allocation of the fund between national and local levels.
 - The Feedback Workshop proved to be a success with donors and CSO participants alike; many appreciated the willingness of the NZAID and the Review Team to share their findings and lessons learned. The workshop discussion made apparent (1) the need for better donor co-ordination and co-operation, (2) strategies donors are using to support their grantees, (3) the need to facilitate a stronger enabling environment for CSOs and (4) provide better capacity development support mechanisms.
 - A number of small grants programmes which include or intend to include a capacity development component were summarised. This strongly suggests that it is increasingly common for funding partners in Timor Leste to move to fewer and deeper relationships with CSOs AND have intentionally structured capacity development support elements into their funding programmes to support them to meet their funding outcomes in their respective areas of focus and help to ensure impact.

Value for Money

The Review concluded that SCDF has provided NZAID with value for money through:

- cost-effective access and scope of support to communities, relationships with CSOs, GoTL and other donors given the financial size of the mechanism; and
- refined management systems developed to support management and governance practices; and
- building strategic capability through expanding its base of funding partners – both national and local – and through them strengthened their geographical presence in three districts – Dili, Baucau and Covalima.

But in order to ensure the SCDF can enhance longer-term development outcomes NZAID will need to ensure a clearer focus in its current design and:

1. strengthen its ability to understand and then to define appropriate indicators and this

2. will support the capacity to measure the outcomes for its key thematic areas as well as strengthen any future monitoring and evaluation processes.

This should be included in a future design process that should also be informed by the wider country programme review.

RECOMMENDATIONS

These recommendations have been aligned to the implications for the future of SCDF as outlined in more detail in section 7.1.

Streamline focus around achieving outcomes

- (1) NZAID should include organisational and community capacity development in its objectives for SCDF.
- (2) NZAID should then make explicit the alignment of SCDF to NZAID's key main thematic areas in Timor Leste and include in all SCDF documentation:
 - a. An emphasis on sustainable livelihoods and consider a percentage allocation of annual funding across key focus areas e.g. 50% to sustainable livelihoods, then
 - b. Align and clearly identify the type of projects SCDF will fund within this emphasis
 - c. Ensure projects that are funded in education, good governance and human resource development link to and support sustainable livelihoods
 - d. Develop a clear description of the desired outcomes for each focus area.
 - e. Develop a programme logic model for SCDF.
 - f. All programme design should ensure strategies to anticipate and reduce tensions which are clearly stipulated in the proposal (this also supports good governance practice)

Support fewer and targeted projects

- (3) NZAID should consider focusing on certain geographical areas, informed by the SCDF Review findings and its wider country programme emphasis
- (4) NZAID should consider having fewer and deeper relationships with organisations that can meet these outcomes.
 - a. Using its existing SCDF partners database in the first instance
 - b. Then calling for proposals to ensure key focus areas are covered.
- (5) NZAID should retain a portion of the fund for emergent needs at the discretion of the Head of Mission (HoM) and on recommendation of the NZAID Manager but in accordance with the SCDF objectives.

Include organisation capacity development support mechanisms

- (6) NZAID should include a capacity development component within SCDF for its selected partners – this could include financial management, governance, proposal writing, operational management, programme design, monitoring and evaluation
 - a. The type of capacity support provided should be based on an objective organisational capacity assessment tool – provides a baseline measure
 - b. It should include but not be limited to program, strategic and business planning and strengthening financial management systems
 - c. This process could be contracted out within Timor Leste or Indonesia and should be responsive to the needs of the SCDF partners in phase 2 of SCDF (based on capacity assessment tool)
- (7) NZAID should support the DPC to complete business planning training
- (8) NZAID should consider funding these strategies with other donors, e.g., Irish Aid, USAID
- (9) NZAID should make explicit a percentage allocation in the budget for administration for any grant, to cover administration and compliance costs. This could differ depending on size of grant.

Support opportunities for greater collaboration

- (10) NZAID should continue to support the Small Grants Donors' Network and consider funding its Secretariat to develop some lessons learned resources to support good governance.
- (11) NZAID should facilitate regular meetings between its SCDF partners and to support networking and experience sharing
- (12) NZAID should consider collaborative opportunities for funding e.g. business planning capacity development training and support, CSO planning resources.
- (13) NZAID should facilitate collaboration and raise the profile of the SCDF with Timorese civil society and the GoTL through convening a panel to assist with selection of successful proposals. This could include a representative of the Office of the Prime Minister who is responsible for civil society and FONGTIL.
- (14) NZAID should discuss with other like-minded donors the opportunity to co-fund projects which better meet respective outcomes in thematic areas - e.g. Irish Aid in local government, USAID in economic and business development.

BACKGROUND

This Review is of the NZAID Social and Community Development Fund (SCDF) in Timor Leste. The SCDF was established in 1999 as a flexible mechanism to respond to the widespread post-independence needs, in line with the agreed focus on community development as a key sector of New Zealand's development assistance.⁴ The SCDF is designed to support projects that "contribute to the social and economic well-being of the most disadvantaged groups in society" in Timor Leste.⁵

Timor Leste is the world's youngest nation. It attained formal independence in May 2002 after 24 years of Indonesian occupation and two years of United Nations (UN) administration. Its struggle under and emergence from Indonesian occupation has left an indelible mark on the country as much of its physical and government infrastructure was left in ruin.

Timor Leste is the poorest country in Asia. Its low Human Development Index rating corresponds to a high level of income poverty; in 2001 40% of the population received an income below \$0.55c per day. Income poverty is more pronounced in rural (46%) than urban (26%) areas⁶. Timor Leste is also faced with development challenges that will take many years to overcome. These include a public sector still in formation with weak capacity, high population growth rate⁷, high unemployment, a weak justice sector, gender imbalances and an under-developed economy⁸. The country also has an active civil society which is not immune to these development challenges and has an historically tenuous relationship with the Government.

The country remains fragile. This fragility was again rocked during the 2006 crisis and the residual impact is still evident after more than a year, the most poignant sign being the sight of the Internally Displaced Persons (IDP) camps scattered around Dili. At the time of the review even in small settlements on the outskirts of Dili the odd United Nations High Commission for Refugees (UNHCR) tent can be seen, and more than 30,000 Timorese are still living in these camps. Although the 2007 election was generally free and fair and led to a peaceful formation of a new government, the potential for unrest is ever present.

The central focus of the NZAID Asia Strategy is sustainable rural livelihoods. This is complemented by support in other sectors - education, good governance and human resource development⁹. The NZAID country strategy for Timor Leste sits within its wider regional Asia Strategy for Southeast Asia, which has a particular focus on sustainable livelihoods, and the Agency has an emphasis on focusing its aid strategically through fewer, deeper and longer engagements and the post-conflict context in Timor Leste.¹⁰

NZAID has five cross-cutting issues: human rights, gender equality, environment, conflict prevention and peace building, and HIV/AIDS¹¹. The SCDF supports grassroots level efforts around poverty

⁴ SCDF ToR Background

⁵ SCDF Guidelines

⁶ UNDP, Timor-Leste Human Development Report 2006, page 2

⁷ With over half the population under 15 years

⁸ largely subsistence agriculture

⁹ NZAID Assistance to the Asia Region, 2007, Making a difference in Asia, www.nzaid.govt.nz

¹⁰ SCDF ToR Purpose of the Review

¹¹ NZAID staff member

alleviation, sustainable economic and social development for disadvantaged communities, as well as projects focusing on gender and participation issues.¹²

Grants have been awarded to NGOs, CBOs and government organisations for programmes that support the intended outcomes of the SCDF – poverty alleviation, sustainable development, social development for disadvantaged communities, and gender and participation issues.¹³ Grants are available up to US\$25,000 through applications to the New Zealand Embassy in Dili.

THE PURPOSE AND SCOPE OF THE REVIEW

The SCDF has not been reviewed since its establishment in 2002 and in that time many changes have taken place in Timor Leste as it moves towards young nationhood. During that time New Zealand's in-country presence has also expanded.

The purpose of this review is to assist NZAID to determine the effectiveness, efficiency and relevance of the SCDF mechanism and the projects funded to date.

To facilitate readability and understanding the format used in the main body of the report has been aligned to the objectives of the Review.

Recommendations for any improvements have been made to ensure New Zealand's support for Timorese CSOs aligns with Timor Leste and NZAID priorities and good practice and the NZAID Asia Strategy.

This review will form part of NZAID's review of its official development assistance to Timor-Leste over the last five years and will also inform the next country programme strategy.

It is also intended that this review be shared with the Government of Timor Leste (GoTL) and New Zealand CSOs.

¹² Timor-Leste snapshot www.nzaid.govt.nz/programmes/c-timor-leste.html

¹³ SCDF Guidelines

OBJECTIVES AND METHODOLOGY

NZAID contracted a two-person team consisting of an international Team Leader/Evaluator and a national Timorese small grants specialist to undertake the review. The objectives were to:

- 1 Assess the efficiency and effectiveness of the SCDF in achieving its objectives of addressing poverty alleviation, promoting sustainable development and social development for disadvantaged communities, promoting gender equity and participation.
- 2 Assess the governance and management of the SCDF in terms of the extent to which these have a) adequately managed risk and b) contributed to the effectiveness and efficiency of the SCDF in achieving its objectives, including through effective monitoring and evaluation.
- 3 Analyse and describe the operating environment and trends relating to Timorese civil society and CSOs, including the roles played by CSOs in development policy and implementation, capacity and organisational development issues, and the types and accessibility of support.
- 4 Recommend appropriate mechanisms or modifications for future NZAID support for the development of Timorese civil society and CSOs, and effective development interventions on their part, with special attention to the post-conflict context.

Objective	Evaluation Methods	Evaluation Tools
Objective: 1 - Assess the efficiency and effectiveness of the SCDF in achieving its objectives of addressing poverty alleviation, promoting sustainable development and social development for disadvantaged communities, promoting gender equity and participation.	<ul style="list-style-type: none"> • Document review • SCDF files • Key informant interviews 	<ul style="list-style-type: none"> • SCDF grant assessment • Interview schedule
Objective: 2 - Assess the governance and management of the SCDF in terms of the extent to which these have a) adequately managed risk and b) contributed to the effectiveness and efficiency of the SCDF in achieving its objectives, including through effective monitoring and evaluation.	<ul style="list-style-type: none"> • Document review • SCDF files • Key informant interviews 	<ul style="list-style-type: none"> • Interview schedule • SCDF past and current assessment tools and criteria
Objective: 3 - Analyse and describe the operating environment and trends relating to Timorese civil society and CSOs, including the roles played by CSOs in development policy and implementation, capacity and organisational development issues, and the types and accessibility of support.	<ul style="list-style-type: none"> • Document review • SCDF files • Key informant interviews • Feedback Workshop 14 	<ul style="list-style-type: none"> • GoTL, NGO, and other donor reports (where available) • Feedback Workshop responses
Objective: 4 - Recommend appropriate mechanisms or modifications for future NZAID support for the development of Timorese civil society and CSOs, and effective development interventions on their part, with special attention to the post-conflict context.	<ul style="list-style-type: none"> • Feedback Workshop 	<ul style="list-style-type: none"> • Feedback Workshop responses

A detailed Methodology is listed in Appendix 8: Evaluation Methodology and Implementation Plan and Appendix 9: Data Sources.

¹⁴ The feedback workshop purpose and issues to be noted was discussed with Programme Manager and confirmed with the NZAID Manager in Dili and the Timorese team member as a key component of the proposed methodology. The methodology suggested that considering the Malay-Polynesian/Melanesian cultural and Austronesian language roots of the Timorese, that the concept of 'hui' and 'fono' which are regular evaluative tools with Maori and Pacific peoples in New Zealand should be encouraged in future evaluative enquiry as a tool that will support high levels of validity with the target group populations of Timor Leste.

Eleven in-depth grantee assessments were conducted based on data collected from on-site visits, interviews and file reviews. These organisations were selected in discussion with the DPC; several organisations were not available at the time of the Review. The grantee organisations chosen however provided sufficient representative coverage across NZAID SCDF key focus areas. For some organisations more than one interview took place to ensure insights from Head Office (often Dili-based) and districts were captured.

The initial findings of the Review were qualified through a Feedback Workshop to ensure clarity over what could be attributed to donor small grants programmes generally, the nature and capacity of civil society organisations in Timor Leste and what was peculiar to the NZAID SCDF program.

NZAID should note that the Review process would have substantially benefited from:

1. Having access to the SCDF database prior to commencing the in-country component
2. Having a final draft findings discussion with the NZAID Manager instead of the DPC, prior to leaving the country¹⁵
3. Having both Review team members available full-time during the in-country fieldwork

This report has used the comprehensive feedback on the draft report to prioritise and make more explicit its assertions, develop usable recommendations as well as substantially improve the readability of the report for its proposed audience.

REVIEW PARTICIPANTS

Participants included NZAID, other donors, GoTL officials and staff from 11 grantee organisations. The review team was able to conduct an open session with the members of Vatuboro village, in Maubara Liquiça District. Participants are listed in Appendix 10: List of People Interviewed. This list notes those that also attended the feedback workshop.

TIMING OF THE REVIEW

The in-country component of the Review took place over three weeks between 22 October and 9 November 2007. There was a week of preparation prior to the fieldwork, when the draft evaluation plan was developed and some documents reviewed; the evaluation plan was further revised in discussion with the Timorese team member and the post once in-country.

The draft report was submitted on 23 November 2007, and the final draft was submitted after comments from NZAID on 29 January 2008.

¹⁵ This didn't happen due to time constraints as another NZAID team was present

REVIEW LIMITATIONS

It should be noted that the SCDF Review is only part of a wider review of NZAID's official development assistance to Timor Leste and will eventually be used to inform the subsequent development of a new country programme strategy. This review therefore only looks at a portion of the larger programme and does not seek to make any explicit links to the larger program. These links will need to be made through a separate process.

This evaluative inquiry process uses a predominantly assessment and qualitative evaluation methodology based largely on the management, monitoring systems and capacity that exists within the in-country programme at the time of the review. As the purpose of the review is to look at the effectiveness, efficiency and relevance of the SCDF it incorporates aspects of a process/outcome evaluation – it is therefore by purposeful design largely descriptive. This is necessary as the SCDF has not been reviewed since establishment in 2002.

The recommendations made are based on information evidenced through a variety of sources to ensure validity, however these should be understood within the context of a fragile post-conflict economy with pervasive capacity issues which is undergoing rapid change largely supported by significant donor support for infrastructural strengthening. To this end the key findings and recommendations made should be (re)-considered in that light, when used to inform any future development of the SCDF and the wider review of NZAID's strategy in Timor Leste.

This evaluation provides recommendations that should inform a redesign of the SCDF but does not replace the necessary steps to ensure current relevance of any well designed programme – a comprehensive needs analysis and a stand alone design process.

ASSESSMENT OF THE EFFICIENCY AND EFFECTIVENESS OF THE SCDF PROGRAM

This section looks to answer objective 1 of the Review: ‘assess the efficiency and effectiveness of the SCDF in achieving its objectives’ by assessing the grants over each of the five financial years using the SCDF database. It then draws a number of lessons learned from comprehensive assessments of 11 grants and discusses the issues of measuring outcomes that the database analysis raises.

SUMMARY ANALYSIS OF SCDF DATABASE

The objective of the SCDF is “to support grassroots level efforts around poverty alleviation, sustainable economic and social development for disadvantaged communities, as well as projects focusing on gender and participation issues”.¹⁶

The data source used was the database developed and managed by the existing DPC¹⁷ for the periods 2002/3 – 2006/7. The database was analysed by strategy focus and geographical activity to understand the patterns emerging and then draw some conclusions that will inform the next phase of SCDF.

SCDF Support by Strategy Focus

The analysis of the database by year is provided in detail in Appendix 2: SCDF Database Analysis. The summary analysis is discussed in this section. The analysis highlights that:

- A total of 123 projects were funded over this period.
- Total expenditure based on this database shows a total spend for SCDF in the years 2002/3 to 2006/7 of \$US\$1,285,395.

In line with the overall NZAID Asia and Timor-Leste strategies the grants were analysed under the headings Sustainable Livelihoods, Education, Good Governance and Human Resource Development.

Sustainable Livelihoods

Sustainable rural livelihoods is the central focus of the NZAID Asia Strategy. This table includes a range of project areas which support community development (water supply, income generation, agri-business, micro-finance, environment and social services); this category was granted 48% of total funds or US\$618,853 for the period 2002/3 – 2006/7.

Table 1: Grant Drawdown 2002/3-2006/7 for sustainable livelihoods highlights that projects in this sector received 48% of total funds (or US\$618,853) for the period; from the initial high percentage of 65% of SCDF projects in 2002/3 financial year, this area has drawn between

40-50% of total funds in each consecutive year.

¹⁶ Timor-Leste snapshot www.nzaid.govt.nz/programmes/c-timor-leste.html

¹⁷ Current DPC joined end of 2003 and has helped develop the current database to assist in the management of the SCDF and HMF

Table 1: Grant Drawdown 2002/3 - 2006/7 for Sustainable Livelihoods

Financial Year	Total SCDF grants	Sustainable Livelihoods	% of Total SCDF grants
2002/3	184,355	119,201	65
2003/4	259,321	126,415	49
2004/5	301,162	128,128	43
2005/6	300,333	144,752	48
2006/7	240,224	100,357	42
TOTAL	1,285,395	618,853	48

- All projects funded in this category support participation and by design support households and families at the community level with the basic needs of water and sanitation, improving income generation activities and the provision of social support at the community level.
- Several projects targeted women directly, the most notable being Moris Rasik (Microfinance) and Timor Aid (Thai Textile Weaving Project). Both grantee organisations are large national NGOs which received a sizeable level of funds and have applied several times over the five year period for different projects.
- This table includes the OXFAM Social, Economic and Political Participation Project (SEPP) and the Timor Aid Thai Textile projects. Both have been funded across more than a single funding year and are focused in the Covalima District.

Education

Support for basic education is one of NZAID's agreed priorities with the government of Timor-Leste¹⁸. Currently only 80% of primary aged children enrol in school and less than half of these reach Grade 6.¹⁹ Table 2: Grant Drawdown 2002/3-2006/7 for Education Sector highlights that between 2002/3 – 2006/7 education projects received a significant level of SCDF with 36% of total funds (or US\$465,583) for the period; 43% (US\$199,971) of that amount was spent on school rehabilitation and construction projects.

Table 2: SCDF Grant Drawdown 2002/3 - 2006/7 for Education Sector

Financial Year	# proposals	Total SCDF grants	Education	% of Total SCDF grants	Rehabilitation Projects	% of Education grants	% to total SCDF grants
2002/3	16	184,355	65,154	35	65,154	100	35
2003/4	28	259,321	86,009	33	25,000	29	10
2004/5	31	301,162	59,512	20	24,312	41	8
2005/6	27	300,333	115,041	39	11,232	10	4
2006/7	21	240,224	139,867	58	74,273	53	31
TOTAL	123	1,285,395	465,583	36	199,971	43	16

- The establishment year 2002 shows a clear emphasis on rehabilitation in the education sector in particular in Covalima and Bobonaro - districts nearest the Indonesian border.

¹⁸ Achieving universal primary education is one of the 8 Millennium Development Goals, <http://www.un.org/millenniumgoals/>

¹⁹ Timor-Leste snapshot www.nzaid.govt.nz/programmes/c-timor-leste.html

This sharply reflects the most pressing post-independence needs of Timor Leste as the fund was responsive to the wide-scale destruction in both districts.

- The focus on rehabilitation in the Covalima and Bobonaro Districts also highlights the presence of the New Zealand and Australian Defence forces providing useful capacity to quickly assess and deliver this response.
- As the majority of the education sector projects are targeted at projects that impact on compulsory school age one can assume that these projects target children and therefore contributed to greater levels of participation in education.
- The steady increase in SCDF funding into the education sector has been obvious between 2002/3 – 2006/7 years; a significant proportion of that has been awarded in 2006/7 year, \$74,273 for rehabilitation (of the total education figure \$139,867). This has been awarded to a few NGOs in the Covalima District who have developed a good working understanding of SCDF, have good relationships with the local community and have been able to achieve financial acquittal several times within that financial year.

Good Governance and Human Resource Development

These two strategic focus areas combined received 16% of funds over the 2002/3 – 2006/7 period. Much of this went to one off projects or co-funding for larger NGOs or government programmes.

Table 3: Grant Drawdown 2002/3 - 2006/7 for Good Governance and Human Resource Development

Financial Year	Good Governance	% of Total SCDF grants	Human Resource Development	% of Total SCDF grants
2002/3	-	-	-	-
2003/4	46,897	18	-	-
2004/5	85,554	28	27,968	3
2005/6	40,540	13	-	-
2006/7	-	-	-	-
TOTAL	192,991	13	27,968²⁰	3

Table 3: Grant Drawdown 2002/3-2006/7 for Good Governance and Human Resource Development shows that:

- Good Governance: includes projects that support policing, the justice sector, peace building and human rights programmes. This category was granted 13% of the total funds (or US\$172,991) for the period.
- Human Resource Development: was not a significant area of funding for SCDF. This area was granted 3% of the total funds (or US\$27,968) for that period for two training projects funded in 2004/5.

²⁰ Human Resource Development projects accounted for 9% of the SCDF for the 2004/5 financial year and 3% of the total funds for the period 2002/3 – 2006/7.

SCDF Support by Geographical Reach

The grants were analysed by districts over the 2002/3 – 2006/7 financial years and provided below.

Table 4: Grant Activity by District

District	2002/3	2003/4	2004/5	2005/6	2006/7	Total
Aileu			2		1	2
Ainaro			1	2		3
Baucau		2	4	4	4	14
Bobonaro	3	2	1	1		4
Cova-lima	6	3	2	5	7	17
Dili ²¹	4	11	8	5	1	25
Ermera	1	1	4	3		8
Lautem			2	1	2	5
Liquica	1	2	1	1	2	6
Manatuto		2	3	1		6
Manufahi			3	2		5
Oecussi-Ambeno			1	2		3
Viqueque		1		1		2
National	1	4	9	4	4	21
Total	16	28	41	32	21	138
²²						
Multi-region ²³	-	4	4	2	-	10

- 21 of the 123 grants (or 17% of SCDF) were given to national projects
- Of the 117 locations which were not for national projects, the main geographical focus for the grants has been Dili, Baucau and Covalima – taking 48% of the 117 locations
- This reflects SCDF's initial focus areas of Covalima (with the NZ Defence forces stationed there) and Atauro Island particularly in 2002/3 and 2003/4

SCDF SNAPSHOTS

A comprehensive assessment was made of 11 grantee organisations, and the indicative lessons from these are attached as Appendix 3: SCDF Snapshots. These projects provide coverage of the SCDF main areas of support and it could be argued facilitate participation (and gender for two projects).

These snapshots provide a more in-depth look at some of the organisations and projects that have been funded through SCDF. Some of the lessons provided through the snapshots include:

- Some of the capacity limitations of Timorese organisations are related to their lack of financial planning, weak programme design and lack of understanding of good development processes –

²¹ Includes grants to Atauro Island

²² Each District that received support for a multi-site project is counted so the total number will exceed the actual number of projects that received grants

²³ This figure denotes grants that were not for national projects but were implemented in more than one district

including the use of development jargon and the need to measure impact. This directly relates to the skills of existing staff.

- Several NGOs supported the suggestion of capacity support. Most currently use the support from the DPC to work through the development of their application.
- The quality of the project was not only reflective of the innovativeness and strength of the NGO but also of their process for working through with the community the identified needs of their communities of interest. Not all proposals achieved this as many focused on a specific output without paying due consideration to the longer term development needs that would be required to maintain or enhance the project's impact.
- The usefulness of international staff in supporting capacity for NGOs
- That multiple tranches over a number of years can be used effectively to support longer-term projects (note: this was only given to a large international NGO)
- Multiple funding streams provide the need for strong organisational systems but reduce risk of single-donor funding
- Some of the NGOs interviewed voiced frustration with the donor community and provided some recommendations to resolve their perceived constraints. Many also noted that the attractiveness of SCDF lies in its flexibility. To some degree this has been reflective of the availability of other grants, NGOs' relationships with other donors, the clarity of the donor guidelines, the organisations themselves and their capacity to deliver in these areas and the degree of support provided by NZAID to complete proposals and projects.
- There are complementarities with other donors particularly with Irish Aid in school rehabilitation projects in Covalima
- Several organisations noted their appreciation that the proposals could be received by NZAID in other languages.
- In a few cases grantees have provided successful proposals and achieved financial acquittal several times with SCDF and so one can assume have become experienced in NZAID SCDF processes.
- It is difficult to determine whether some grantees have since worked with other donors as a result of SCDF. But certainly the SCDF Snapshots attest that most grantees have had experience with SCDF and other donors.
- The capacity of grantees to access SCDF multiple times, however, should not be the only measure of the effectiveness of SCDF. The capacity of the fund to meet community development needs within a project design and then measure impact is also needed - this will require stronger monitoring systems within SCDF.

- Many NGOs voiced a general frustration that donors²⁴ change their focus or emphasis, and NGOs are not always made aware; this highlights a need for dialogue or the use of other forms of media by donors.
- Some NGOs noted they would benefit from better networking with other NGOs and that NZAID could support that role.
- Many of the organisations would like to have deeper, longer relationships with NZAID

Good Development Practice and Capacity Lessons

The SCDF Snapshots also highlighted a number of good development practices and identified evidence of early absorptive capacity. These learnings were shared at the Feedback Workshop.

Organisations that reflected good practice exhibited the following traits:

- Had good funder/donor relationships
- Understood quality outcomes for funder/donor and how to structure them into programme design
- Were able to negotiate the operating environment, often through their analysis capability and links to national forums
- Consciously built community capacity in their programme design
- Understood long term development processes
- Had adequate monitoring and evaluation processes

Organisations that reflected early evidence of absorptive capacity exhibited the following traits. These traits were not seen in all organisations or all traits in any one organisation. The depth of this capacity can only be determined through a comprehensive organisational assessment:

- Had strong lateral connections at local, national and sector levels
- Had strong governance structures
- Actively networks and builds collaborative relationships
- Actively builds own capacity
- Was strategy-led rather than donor funding led
- Consciously used SCDF as a bridge to larger funding envelopes

MEASURING SUSTAINABLE OUTCOMES

²⁴ This comment was made by several NGOs about other donors. Only one NGO staff member made this comment specifically about NZAID

The measurement of the success of the projects of the SCDF is heavily weighted towards the mid-term and particularly the completion report, which describes implementation of the funded project against the initial proposal and financial acquittal.

- There is no evidence of clear monitoring indicators to measure desired outcomes for SCDF. Without this clarity the development of proposals and then selection of projects will not allow SCDF funded projects to make clear links to outcomes (causal attribution) and therefore impact.
- SCDF supports projects that focus on gender and participation issues. However, it is currently difficult to assess this with the current headings of the database over the period 2002/3 – 2006/7 because (1) the most relevant information is captured under ‘Target Beneficiaries’; (2) This heading was introduced in the 2004/5 financial years thereby allowing only three years of information, also (3) the inconsistency of the unit of analysis does not support useful aggregation of data, e.g. ‘all people in East Timor’ or ‘all people in five villages’ for either the key focus area or the cross cutting issue.

There is a need within SCDF to provide more clarity in reporting around key thematic areas and measuring of cross-cutting issues in order to measure outcomes and whether they are sustainable. The Review Team offers a number of considerations for NZAID to inform this discussion:

- The Asia Strategy pre-determines for NZAID that the other sectors education, good governance and human resource development support and complement the key focus area sustainable rural livelihoods. **This however is not explicit within SCDF.**
- The outcomes for each of these focus areas need to be defined as they will be different. This definition will need to take into consideration the mutually reinforcing nature of the strategies that are used to achieve it (including cross cutting issues) and the outcomes themselves.
- Each of these areas and the strategies to ensure mutual reinforcement will need to be measurable. This will require the development of measurable indicators.
- Once this has been undertaken then a tailored SCDF Programme Logic Model can be developed, to improve programme design and evaluation.

The next sections that work towards answering questions regarding SCDF governance, management and relevance will also provide useful insights into what should be considered in the stand alone design phase.

MANAGEMENT AND GOVERNANCE OF THE SCDF

This section looks to answer objective 2 of the Review: 'assess the governance and management of the SCDF' by reviewing the risk management and accountability issues identified in the governance and management process. It then highlights a number of constraints evidenced in the fund that influence the effectiveness and efficiency of the SCDF mechanism. The evaluation methods used were NZAID and grantee interviews and document review, including file assessment.

An outline of the SCDF management process is described in Appendix 4: SCDF Management and Governance Process. The SCDF is dependent on proposals being received from the market and therefore is reflective of what is received and then approved. The analysis suggests that the management processes used in SCDF has yielded a progressively higher quality of proposals over the years. The analysis also highlights the marked difference in the funding focus and therefore management processes used in the first two years 2002/3 – 2003/4 and the following three years 2004/5 – 2006/7. It would be fair to then suggest that both the grantees and NZAID staff have gained a lot of learning over the years as the internal process has evolved.

The proposal assessment is largely handled by the DPC who has been with the Post since the end of 2003 and has been instrumental in developing systems that have supported the transparency, consistency and efficiency of the mechanism. These include the database that supports the management of the SCDF, the assistance to organisations to ensure proposals meet guideline specifications, the informal referral check among donors and the initial assessment of the proposals and recommendations for action.

The NZAID Manager and HOM²⁵ also participate in site visits and take an active interest in the SCDF. The NZAID Manager provides oversight of the programme and both the NZAID Manager and HOM provide comments on the proposals²⁶. Final approval is given by the HOM.

The position of the first NZAID Manager was filled in early 2006. At present the NZAID Manager is also the Administration Officer, and this split in emphasis has proven at times unwieldy as the scope of the NZAID programme in Timor Leste has expanded²⁷. The NZAID Manager position will become full time in early 2008, which will provide the management capacity to solidify the NZAID strategies within Timor Leste.

SCDF RISK MANAGEMENT AND ACCOUNTABILITY

The first two years of SCDF 2002/3 – 2003/4 have provided useful lessons that have seen tighter management of the SCDF to ensure funds are not misused.

²⁵ Embassy staff noted the importance of accepting proposals in English, Tetum and Indonesian languages and are happy to receive handwritten proposals.

²⁶ Noted in assessment cover sheet and placed in each file.

²⁷ At the time of the Review administrative support was provided by a short term placement from New Zealand as the number of Review and project teams visiting the post over that period required a lot of support.

The main risk management strategies employed by SCDF are as follows:

- Grants were considered within two brackets: <US\$5,000 – US\$10,000 as appropriate for ‘less experienced NGOs’ while for ‘more experienced NGOs’ grants of up to the maximum US\$25,000 are made.
- Proposers’ skills, experience and relationship with the community are reviewed in the proposal and then assessed through a site visit.
- The requirement of a strong proposal, mid-term report and a final report with clear financial reporting.
- The mid-term report and the final report provide useful monitoring tools for SCDF on individual projects. The larger NGOs also provide useful detailed final reports²⁸, these include Timor Aid, Moris Rasik²⁹ and OXFAM³⁰.
- All donors interviewed require disclosure within proposals of other donors that the organisations have received funding from – the informal networking is very efficient in ensuring good proposers are considered.
- The NZAID SCDF Guidelines also require confirmation of registration and collaboration/understanding of local authorities; this reduces the risk of NGOs duplicating efforts, and ensures links to the National Development Plan.

Management of Operational Risk

In Timor Leste with the nascent nature of many of the organisations that receive small grants - both public sector and CSO sector - there is the potential for operational risk³¹. This may not be evident from the proposal or past experience of the proposing organisation.

This risk can be managed through a better understanding of organisational behaviour, strategic and business planning and strong financial management systems. To understand the capacity of an organisation to manage operational risk would require an organisational capacity assessment and mentoring.

Co-Funding within SCDF

Co-funding has the potential to provide a useful platform for co-ordination between donors and their CSO partners and provides an opportunity to highlight lower risk proposals and raise confidence of other donors to support the proposed project.

Co-funding also yields for small grants programmes like SCDF a number of useful insights into larger projects it could not fund on its own as a funding strategy and has provided support for projects which

²⁸ All reports included in Appendix 2: SCDF Snapshot was sighted as each file was thoroughly assessed.

²⁹ Moris Rasik provided a copy of their strategic plan to NZAID with clarity as to their wider strategy in Timor Leste and where donors could support them.

³⁰ Oxfam provided a detailed evaluation report of their SEPP project.

³¹ The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes legal, strategic and reputational risk. Historically organisations have accepted operational risk as an unavoidable cost of doing business. In a country like Timor where the business culture is under-developed some lessons of ‘doing business’ are not necessarily understood.

required support outside of its main donor to grow its core business or ensure sufficient cashflow to continue business e.g. JSMP, GIO, Ba Futuru, Oxfam, DIT.

Co-funding also provides the opportunity for a long term partnership approach to be taken by NZAID with NGOs and other donors they have a good relationship with.

“We (NZAID) look to enhance our ‘partner’, always ongoing recognition – the advantage is this means engagement is more meaningful...we look for opportunities to co-fund with AusAID and Irish Aid³²...we need to be realistic about what we can achieve and have confidence in that”³³

There is a similar approach by other donors who also actively draw lessons from co-funding relationships.

“We don't have a specific goal or target for co-funding but we appreciate all efforts to submit proposals that include co funding or all attempts from other donors to see if we are interested in co funding. Usually, co-funding helps the programme development specialist make a better case to put the grant forward for approval as it shows commitment from other donors and the commitment of the organisation to approach multiple donors. It may even have some corollary to longer term planning skills.”³⁴

SCDF CONSTRAINTS

The current SCDF mechanism has three main constraints noted by CSO partners and NZAID processes as noted above – compliance costs, the size of the grant and its current resourcing needs - having to manage 20-30 grants a year in the last three years.

Compliance costs for CSO partners relate to proposal development, mid and final reporting and implementation requirements. The grantees that were well regarded were self managed, understood their contractual role and kept NZAID informed of any changes to their project and the use of SCDF funds. However, they were also the most critical about the level of reporting required within SCDF.

NZAID has been able to work around the possible constraint of grant size, by offering tranches over multiple years as a co-funder in Oxfam's SEPP in Covalima. It should be noted that as an international NGO, Oxfam was working with a number of local partner CSOs at the community level, had a strongly designed development programme with evaluation and monitoring systems and has a long history in Covalima - developed during the Indonesian resistance - so had an in-depth understanding of the needs of the community and their trust.

The resourcing needs of fielding, supporting and assessing 20-30 proposals are evident – strategies suggested to reduce the effect of this constraint are (1) streamline the focus of the mechanism (2) reduce the number of partners and (3) provide additional human resource.

³² Both NZAID and Irish Aid noted during the interviews that they wanted to see the funds applied directly to communities

³³ NZAID staff member

³⁴ USAID staff member

RELEVANCE OF THE SCDF PROGRAMME

This section looks to answer Objective 3 of the Review: to analyse and describe the operating environment and trends that influence for Timorese civil society and CSOs, by reviewing some of the key environmental issues, the operating environment and access to capacity development support. This section looks to build on the previous analysis and provides a closer look at other donor small grants programmes and the issues raised in the feedback workshop.

ENVIRONMENTAL ISSUES

One of the strategic considerations for the wider international development sector is the increasing practice across the international donor community for the growing weight of global development such as the Millennium Development Goals, greater accountability of donors to show results and the greater emphasis on impact.³⁵

Timor Leste is a fragile post-conflict economy with pervasive capacity issues; a wider environmental context should be taken as a starting point of any analysis.³⁶ The issues noted here are offered by the Review team and drawn from the evidence gathered. These are by no means the final word but are provided in order to better understand the complex inter-related nature of how they impact on the wider environmental realities of organisations working in Timor Leste.

Conflict and violence

Timor Leste is undergoing massive social, cultural and political changes exacerbated by its post-conflict context, which will continue to permeate the underlying issues of security. Since Timor-Leste's independence, the country has continued to face demonstrations mobilised by different social groups such as veterans, youth, and church members. The recent crisis in 2006 was proof of how fragile the general situation in Timor-Leste is. If the underlying issues that facilitate violence and conflict are not properly addressed, they will continue to affect the long term development of the country.

Engel (2007) notes that failure to build into programming interventions an approach to anticipate and address tensions that arise from engagement – social jealousies, perceived corruption and mismanagement of funds – may only exacerbate or create new tensions, thereby having unintended outcomes and facilitating increased fragility.³⁷

Encouraging active community participation in all small grant programmes should be structured to contribute to empowering communities to manage conflicts that might arise from and within communities. This will require CSOs who have the capacity to undertake this level of facilitation.

All programme design should ensure strategies to anticipate and reduce tensions are stipulated in the proposal

³⁵ Nagao, Masafumi, 2006, 'Challenging times for evaluation of international assistance', Evaluation Journal of Australasia, No 2, 2006

³⁶ Principles for good international engagement in fragile states and situations, www.oecd.org/fragilestates

³⁷ Engel, Rebecca, E. (2007), *The building of Timor Leste: International Contributions to a Fragile State*, written with support from the Ford Foundation, Centre for International Conflict Resolution (CICR), School of International and Public Affairs, Columbia University and BELUN, Page 40-44

Centralisation and De-centralisation

The GoTL planning process is national and top-down driven; this highly centralised process has serious implications for the whole development process. The National Development Plan is prepared at the national level with little historical input from government authorities at the district and sub-district level. More challengingly, the Annual Implementation Plan for each fiscal year is also prepared exclusively at the national level by each ministry, with the assumption that district-level needs have been adequately covered. While in certain instances needs are covered, there are many areas that are not been addressed in the annual budget.

In Timor Leste the government has historically had little effective presence in the districts and civil society is well placed to support the GoTL to fill this critical gap – small grants programmes as flexible community driven mechanisms can be used as complementary instruments to contribute to the decentralisation of development projects in Timor-Leste. This however, will require good communication and co-ordination channels amongst the government, civil society and donors alike.

At the time of the review the current government was in the process of decentralising the bureaucracy to allow each ministry to implement projects in communities. However, there is no active system in place yet that allows for full decentralisation, the necessary local government structures are not fully implemented to the level that would allow for the implementation of activities by the local authorities in rural areas. The level of funding and funding co-ordination from donors and NGO's available for local government to support development projects at the community level is currently limited. NZAID needs to be mindful of this.

So there is still a need for the donor community to continue its support of the government agencies which are responsible for the national and sectoral planning and service delivery through collaboration with all parties through the development and use of government systems.³⁸

Government and Civil Society

In the short term the clarity of roles of the three main sector actors will necessarily remain blurred due to the fragility of the state and the pervasive capacity needs of the country. These capacity issues will undoubtedly take some time to overcome however the intentions to build an improved public sector process and donor co-ordination for civil society is evident.

The growing emphasis by the international donor community on greater harmonisation, alignment and accountability to partner countries requires stronger and well managed public financial management systems and CSOs. NGOs have not always been actively involved in the dialogue fora of government and therefore are not always aware of the changes in donor emphasis.

In the short-medium term prudent and pragmatic support from the international community is advisable before sufficient financial and budgetary systems and nationalised capability is available to provide the needed transparent processes of good governance to foster and support an active service infrastructure.

NZAID should continue to check with GoTL and Local Officials as to the need for the proposal.

³⁸ Interview with the Advisor for Capacity Building in the Vice Prime Minister's Office

Supporting an enabling environment for CSOs

In Timor Leste the issues of capacity, mandate and vision for civil society organisations to move between the changes in funding emphasis should not be overlooked; their role could be strengthened through developing a more integrated framework to partner with Government, communities and the international donor community³⁹. Some of the challenges include:

1. The lack of a useful definition of a NGO, community based organisation or faith-based organisation and their respective roles and contribution to civil society.
2. The need for a number of appropriate, active and well resourced mechanisms that ensure partnership opportunities between CSOs and the GoTL. This mechanism should be outcomes focused.
3. The lack of a joint donor and government monitoring mechanism of CSOs.
4. Although the GoTL intends to create a number of small grants funds for NGOs and CSOs⁴⁰ at large, it must be careful not to overly challenge the independence of NGOs.
5. A clear concept of partnership between CSOs, donors and GoTL is fundamental for building a trust relationship. This concept must be based upon agreed principles and understanding so that the concept of partnership is relevant to the Timorese context and sensibilities and can evolve through mutual cooperation and collaboration.

A number of constructive mechanisms for on-going dialogue and discussion on all these issues - and more as they emerge – need to take place; this will help to inform the on-going relationship between and the opportunities to understand the evolution of the GoTL, civil society and donor responsibilities.

NZAID should continue to support existing mechanisms that facilitate constructive dialogue between the GoTL, donors and CSOs.

Government funded small grant programmes

The current government has created a fund for the civil society organisations (including the church). The purpose of the fund is to support initiatives that are proposed by the civil society organisations. It remains unclear how the small grant programme of the government will be designed to support communities and civil society to participate in the general development process. The most pressing issue is what mechanism the government small grants for civil society organisations will use to link to the sectoral programmes in each ministry and then linked back into the National Development Plan (NDP). At the time of the Review this was just being established and so its influence on the market could not be evaluated.

The challenge for government funded small grants programmes is the same as it is for donors: they must have clearly stipulated criteria and management and governance mechanisms starting with a well-defined programme focus. However at the time of the Review it was unclear how the fund will be managed. It is important for the GoTL and civil society alike to understand (1) the process for submitting proposals, (2) the criteria used to determine eligibility and (3) targeted groups and (4) priority programmes that will to receive funding.

³⁹ Comment from AusAID staff, member, in Timor Leste

⁴⁰ Comment from, the Advisor for Capacity Building in the Prime Minister's Office

OPERATING ENVIRONMENT

This is the level that many CSOs operate within. Few have more than an experiential understanding of the issues discussed in the previous section often, only indirectly informed through their frustration with balancing the needs of their community of interest, with their own organisational capacity, and the changing GoTL and donor requirements. This was highlighted in the assessments of grantee organisations captured in the lessons from the SCDF Snapshots.

With Timor Leste an effective SCDF mechanism has to straddle a number of challenges of CSO organisations. The issues noted here are offered by the Review Team and drawn from the evidence gathered. Again they are by no means the final word but are provided in order to better understand the complex inter-related nature of how they impact on the operating realities SCDF partners contend with in order to achieve common outcomes, and should help shape the future re-design of SCDF.

Building community awareness to participate in development

The historical construct for active community participation was alive in the times of the resistance and focused on the issue of independence. However, having lived under two different colonial powers with different examples of repressive colonialisation processes has left the Timorese with a desire but little long-term experience in active civic participation with effective government processes, this however is growing. The challenge of reframing cultural and social constructs to support active participation in one's own development processes should not be underestimated by donors or civil society alike – building this capacity in the populace will take time.

Therefore, any type of activity that is planned to be implemented in communities should include community capacity development in order to facilitate the communities to have a chance to claim their own future. The SCDF Snapshots provide several solid examples of this working with a number of different NGOs – NTF, Oxfam and Timor Aid.

There should be an explicit focus within SCDF to ensure sustained community involvement and capacity development post-intervention.

Weak capacity of civil society organizations

The number of civil society organisations in Timor-Leste grew significantly after independence. Currently, there are about 400 non-governmental organizations (NGOs) registered with the NGO Forum, which serves as one of the umbrella organizations. The increasing number of NGOs could be interpreted *prima facie* as a positive indicator of people's interest in participating in the development of Timor-Leste; however this should be qualified by noting how many were established in the last seven years to take advantage of donor support, and their attrition rate. Anecdotal evidence would suggest both figures would be high. Therefore, it is important to recognise that the capacity of NGOs and civil society in Timor Leste in general, is still weak.

On the side of human resources, local NGOs have demonstrated some capacity in terms of community mobilisation, using community-based approaches to development and identifying community needs. However, their ability to clearly express ideas in a proposal written in the donor's language remains a significant challenge. It is therefore important that any small grant programmes can contribute to building and strengthening the capacity of NGOs so that they can better service their communities of interest.

Capacity determines effectiveness in both administration and service delivery. The lessons drawn from the assessment of SCDF grantees strongly reflect the difficulties they face in their governance, management, finance, planning, implementation and monitoring of their programmes. Additionally, many lack the capacity to develop and maintain relationships with other organisations including international NGOs, donor agencies, and the government. These will remain challenges to their organisational development.

There should be an explicit focus within SCDF to support organisational capacity development.

The high cost of doing business in Timor Leste

Most donors provide project related monies through small grants, but little to no operational or institutional funding for partners. It is also very difficult for grantees to continuously search for money.

The lessons in SCDF Snapshots noted the frustration when grantees become confused with donor change in emphasis, or between donor programmes.

It is expensive to maintain a functioning organisation in any country. Timor Leste has its own costing parameters with high labour costs, a thin qualified and experienced skills pool, disrupted electricity flow impacting on internet communication and the expense in using of generators and air conditioners. These costs impact on organisational sustainability.⁴¹

There should be a component in SCDF that covers administration costs e.g. 10% - 15%

The need for business planning

To ensure sustainability the organisation must first understand the environment context in which it operates and how it organises itself internally. Organisational Development, therefore, encompasses both the internal aspects of organisations, and the external social, economic and cultural setting in which they operate. Both interact in opportunities for organisations to enhance their performance.

In striving to achieve the objectives of development interventions, the performance of individual organisations is crucial. Programme and business planning that supports a long-term development perspective and has an emphasis on impact and sustainability will improve the performance of grantees and their projects to achieve both.

There is a real need for a better understanding of business planning across the board in Timor Leste. Several donors made comments during the Review that signalled their support to build capacity in this area for both the civil society organisations they fund and their own grant managers; both noted that the availability of sources to provide and deliver business planning support however is severely limited in Timor.⁴² Irish Aid has noted this particular point in their country strategy paper⁴³.

There is also a very real need for ongoing institutional and operational support to NGOs in addition to the project related support. USAID has recently selected a number of resource organisations it will fund to meet this need when their current programme finishes in September 2008.⁴⁴

There should be an explicit focus within SCDF to support programme and business planning capacity.

⁴¹ Interview with the Manager of the Small Grants Program for USAID in Timor Leste

⁴² Irish Aid and USAID

⁴³ Irish Aid Country Strategy Paper 2006-2008; www.irishaid.gov.ie/timor_lesite

⁴⁴ Interview with COP Small Grants Program for USAID in Timor Leste

OTHER DONOR SMALL GRANT PROGRAMMES

A comparative analysis of the three donors that NZAID usually collaborates with was drawn from each donor's respective guidelines, application forms and interviews – Irish Aid, AusAID and USAID.

The difference between each grant mechanism is captured in Table 5: A comparison of donor small grant schemes in Timor Leste. The table highlights across donors a number of key similarities with each of the funds.

- They all have a community and social development focus, eligibility criteria and grant size funding brackets.
- Each fund makes a point of the grant linking into the National Development Plan and requires supportive documentation from national or local administrators.
- Each fund encourages active community participation in the planning and implementation of the project.
- Proposals are accepted in more than one language.
- Each fund allows for flexibility to meet needs as identified by their in-country posts.
- Each of these funds is either currently being or will be reviewed by the end of 2008.

There are however key differences:

- Irish Aid, which has a similar resource base at their post to New Zealand, has concentrated its efforts into four regions (based on highest needs).
- AusAID and USAID make more explicit their strategic objectives and their areas of focus and how their small grants programmes link into them. NZAID and Irish Aid less explicit.
- Irish Aid makes explicit how it divides its fund targeting national and local levels.
- Only AusAID makes specific note about capacity development for CSOs and that funding of projects is linked to its national interest.

Table 5: A comparison of donor small grants scheme in Timor Leste

NZAID Social and Community Development Fund (SCDF)	IRISH AID Small Grants Scheme (SGS)	AUSAID East Timor Community Assistance Scheme (ETCAS)	USAID Small Grants Program (SGP)
Objectives			
The SCDF provides assistance through grants to fund social and community development efforts	<ul style="list-style-type: none"> To assist in rehabilitation and community building at local level linked to basic needs and infrastructure Community building at local level enabling communities to participate in the development process through planning and managing their own projects Responding to emerging small-scale initiatives at district and national level which support the transition in the independence and post-independence periods 	ETCAS is structured to be in line with the two objectives of the overall Australian development co-operation program ⁴⁵ <ul style="list-style-type: none"> To support communities in reducing poverty and achieving sustainable development, by: <ul style="list-style-type: none"> Funding small community development activities which provide technical, economic, educational, cultural and/or social development assistance to local populations in East Timor Developing the capacity of civil society organisations through the provision of small grants to East Timor NGOs, CBOs and Church Groups 	<ul style="list-style-type: none"> SGP supports communities, organisations and government institutions in Timor-Leste in their efforts to build a stable, economically robust, democratic country. SGP was established to support USAID's strategic objectives⁴⁶ of accelerating economic growth, improving good governance practices and improving the health of the Timorese people
Priority Locations			
The district of Covalima and Atauro Island are priority geographical areas for the programme	<ul style="list-style-type: none"> Oecussi, Ainaro, Covalima and Viqueque 	All regions considered	All regions considered
Who can apply?			
CBOs, NGOs national institutions, recognised international institutions and other community groups	CBOs, NGOs national institutions, recognised international institutions and other community groups	CBOs, NGOs national institutions, recognised international institutions and other community groups	CBOs, NGOs national institutions, recognised international institutions and other community groups

⁴⁵ Objective of the overall Australian development co-operation programme is to assist developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest. The objective of Australia's development co-operation with East Timor is to assist the Government of East Timor to achieve stability and prosperity.

⁴⁶ During its first two years of implementation, SGP responded to needs identified by USAID by implementing activities in a range of agreed focus areas under the strategic objectives as detailed in the USAID Country Strategy 2005-2009. In September 2006, USAID/Timor Leste introduced the new USAID/State Foreign Assistance Framework and Operational Plan. The SGP opportunity areas were then further refined, providing more targeted assistance.

Areas of Funding			
<p>Projects that will result in:</p> <ul style="list-style-type: none"> • Improved health and living conditions • A positive impact on the environment • The creation of jobs or improved employability of youth • Improved capacity of organisation to operate • High development impacts in proportion to cost • Greater participation of women in society • Improvement in local economic performance • Enhancement of human rights, law and justice • Improved access to education 	<p>Projects that will provide:</p> <ul style="list-style-type: none"> • Rehabilitation and small scale infrastructure projects • Small scale community based projects • Education and training • Water supply and sanitation • Health and HIV/AIDS • Capacity building and institutional strengthening • Civic and voter education • Income generation • Reconciliation, justice and conflict resolution 	<p>Projects that will provide:</p> <ul style="list-style-type: none"> • Post-conflict, peace building and reconciliation • Small scale infrastructure and rehabilitation (excluding schools) • Education and training • Water supply and sanitation • Agriculture, forestry & fishing (except animal husbandry) • Human rights and justice • Culture, youth, recreation and sport initiatives (excluding martial arts or combative sports) • Environmental protection • Women in development (gender equality) • Income generation (excluding cash for work programmes and microfinance) 	<p>Looks for proposals that "implement programs that build foundations for Entrepreneurship & Business Success in Timor Leste and Disseminate Messages for a more Informed and Civically Active Public</p>
Grant Size			
<p>On average the cost of a project is approximately US\$5,000 – US \$ 10,000 for community groups and less experienced NGO or new NGO partner and US\$10,000 – \$25,000 for more experienced NGO (National and International).</p>	<ul style="list-style-type: none"> • Most grants under US\$10,000 • Organisations with a strong track record grants to a maximum of US\$20,000 will be considered 	<ul style="list-style-type: none"> • US\$3,000 – US\$5,000 for organisations with limited experience in implementing a development activity • US\$5,000 - \$10,000 for INGOs, NGOs and church groups with experience in implementing development activities related to the application for funding; CBOs that have previously delivered successful ETCAS activities (with full financial acquittal) may be considered for funding • US\$10,000 - \$20,000 (normally) for INGOs, Church Institutions and NGOs who are established with many years experience 	<p>Not made explicit in their SGP Summary (2006).</p> <p>DAI noted in interview that "the average level of support is about \$25,000 for larger NGOs but sometimes the smaller ones are only US\$2-3,000; USAID SGP can support international NGOs in programs for US\$100,000 plus"⁴⁷</p>

⁴⁷ Interview with the Chief of Party DAI

Key Elements			
<p>Participating organisations must meet the following criteria:</p> <ul style="list-style-type: none"> • provide a cash or in-kind contribution; • be experienced in the project delivery; • be willing to be evaluated and audited; • in the case of an application by a New Zealand NGO, clear links to a local community organisation must be shown and • where appropriate, has government recognition or registration e.g. orphanages. <p>Focuses on addressing poverty alleviation, promotion of sustainable development and social development for disadvantaged communities and also focuses on gender and participation issues</p> <p>Proposals accepted in English, Portuguese, Tetum and Bahasa Indonesian</p> <p>Project approval can take up to 3 months, especially if extra information is required.</p>	<ul style="list-style-type: none"> • At least 75% of resources targeted to district level • Maximum of 25% of resources targeted at national level • Marginalized and vulnerable community groups • Community structures engaged in the development process • Rehabilitation process at the district level • Reconciliation • Encourage marginalized groups to play a key role in development activities at these levels • Support for civic and voter education • Other priorities as identified by the Irish Aid Office in East Timor • Priority groups: Women, particularly widows, youth children, elderly and disabled persons can participate <p>Proposals accepted in English, Tetum and Bahasa Indonesian</p>	<ul style="list-style-type: none"> • The organisation has provided all required supporting documentation. • Note: An organisation which has not acquitted previous funding will not receive further funding. • ETCAS will only provide funds for up to 90% of activity costs. At least 10% of resources must be provided by the applicant or community in cash, volunteer labour or materials • Following 2006 unrest applications which target peace building and reconciliation initiatives, community building initiatives, youth and sporting activities are considered to be highly desirable <p>The activity must have a positive benefit for the community and the target community must be actively involved in the planning and implementation of the activity</p> <p>Not stated what languages proposals are accepted in</p> <ul style="list-style-type: none"> • Guidelines clearly state: a proposal submission does not mean funding will be received 	<ul style="list-style-type: none"> • Proposals must be less than 5 pages, include a detailed budget and submitted within a set timeframe. • Envisioned as a flexible program with the abilities to adapt to the social and political dynamics of Timor Leste's post-conflict development and to assist in identifying, testing and opening up a new focus for USAID • USAID's in kind grants help selected groups do their work more effectively by providing them with vital services and supplies, such as technical assistance, training and equipment. <p>Proposals accepted in Portuguese, Tetum, Bahasa Indonesian and English</p> <ul style="list-style-type: none"> • Grant proposals must be submitted at least 45 days before the activity start date in order to be considered • Proposals must be less than 5 pages and include a detailed budget <p>Proposals must be submitted for activities that end before June 2008 (or submitted with co-funding for the period after June 2008)</p>

Selection Process			
Proposal selection made by NZAID staff in Timor Leste	Proposal selection made by Irish Aid staff in Timor Leste	Selected proposals are made from a shortlist and discussed by a selection committee Final decision on recommendations from shortlisted proposals made by head of AusAID Dili to accept or reject proposals	"Proposals reviewed by Program Team at DAI and then presented to AID Strategic Objective Teams (economic growth, democratic governance and health) for concurrence. DAI works to develop the plan with the grantee and presents final application to USAID Representative for SGP contract for approval." ⁴⁸
GoTL Support			
Not stated in guideline but noted in application that letters of support are required	All application must have prior approval from the District Administration and/or relevant government department	The activity needs to fit in with the annual development plan or District Administration	Each proposal must show that the project supports at least one of USAID's focus areas as well as the Timor-Leste National Development Plan.
Current Status of Fund			
Currently being Reviewed	Intends to conduct a Review in 2008	Review pending based on ACFID	Intends to conduct a Review in 2008 Scheduled to conclude SGP in September 2008

Feedback Workshop

The feedback workshop provided a useful opportunity to identify which of the issues that NZAID was experiencing were peculiar to the SCDF and which were shared by other donors/grantees. The workshop highlighted that many of the donors have similar experiences to NZAID SCDF and that most of these issues are reflective of the capacity constraints, socio-cultural context and multi-lingual nature of Timor Leste. The discussion is summarised in Appendix 5: Summary of Feedback Workshop:

The key issues raised include:

- The design of the funding mechanism and its management capability is linked - each informs the other
- Language is a resource constraint for both grantee and donor
- Several donors indicated that the strength of their small grants programmes was their long-term Timorese staff.

⁴⁸ Interview with the Chief of Party DAI

- Donor responsibility to support CSOs and government institutions to develop a good proposal was common between donors, was resource intensive and depended on the capacity of the donor and their Timorese grant managers.
- Many CSOs are not aware of the higher level goals of the donors or the GoTL, even though they are an important conduit for resource distribution providing communities with access to much needed services.
- The donors experience similar grantee capacity issues – business planning, financial management and operational limitations. Some grantees thrive in an active environment – building their capacity and some even moving onto other donors, some don't ever want to be anything other than a single project group - most, however, will not survive for long.
- Donors maintain small grants because of their flexibility to respond to needs and sometimes change focus areas – this however causes confusion with grantee organisations.

The workshop provided many useful lessons: (1) the need for better donor co-ordination and co-operation, (2) donors are using a number of strategies to support grantees, (3) the need to facilitate a stronger enabling environment and (4) provide better capacity development support mechanisms.

CAPACITY DEVELOPMENT SUPPORT

A number of small grants programmes that have or intend to have a capacity development component were included in the Review and summarised in Appendix 6. Access to Capacity Development Support

The key finding from this summary is that many donors are moving to fewer and deeper relationships with CSOs AND have intentionally structured capacity development elements into their funding constructs to support their CSO partners to meet key outcomes in their respective thematic areas of focus.

Three issues are emerging:

- Donors are consciously structuring these programmes to build capacity to support current delivery capacity of NGOs and, inevitably,
- this is leading to the support of fewer and deeper relationships with NGOs and CSOs.
- Donors are also looking to ensure that there are mechanisms that will support long-term sustainability for the country and the wider civil society sector and remain available post-project funding.

CONCLUSIONS

This section draws the analysis to a number of conclusions by answering the following questions: Has SCDF provided value for money? Can the SCDF be enhanced? Does the Review raise issues for the wider country program? The section then notes some of the implications for the future of SCDF.

Has SCDF provided value for money?

Yes: The SCDF has provided an effective and efficient mechanism that allows NZAID to get close to Timorese communities and civil society organisations and institutions that support community and social development.

- Since 2002/3 US\$1,285,395 has funded 123 projects at an average of US\$10,450.37
- SCDF currently funds 20-30 grants a year.
- Expenditure shows that the spread of the funds has been used in areas that SCDF supports, with its strongest emphasis on sustainable livelihoods (48%) and education (36%); less funding has gone to projects that support good governance (13%) and human resource development (3%)
- There are a number of appropriate risk management processes within SCDF to counter most problems: the main risk issues relate to functional capacity and responsibilities with how the post manages SCDF, managing NGO expectations and supporting the funded organisations to manage their operational risk.
- The SCDF provides a flexible and responsive vehicle for NZAID to meet the needs of the Timorese communities and civil society organisations and institutions that support community and social development.
- The SCDF has provided NZAID with a base of funding partners it is able to work with to evolve a more targeted response to the needs of Timor Leste within its thematic areas of focus at the local, regional and national levels.
- SCDF has built strategic capacity for NZAID and a presence in Timor Leste, particularly in Dili (mainly Atauro Island), Baucau and Covalima Districts.
- SCDF provides NZAID the opportunity to develop co-funding opportunities with Timorese CSOs and other donors.

Can the SCDF be enhanced?

Yes: To date SCDF is structured to focus on the key funding areas and manage risk rather than ensure outcomes are measured and achieved.

The success of the SCDF has been measured through report writing and achievements against the proposal, which assumes community needs are addressed and active participation by communities in its design. This relies heavily on the assessment of the proposals. It does not, however, ensure wider

development impact.⁴⁹ This wider development impact needs to more closely resemble the key focus area for SCDF – sustainable development.

The Feedback Workshop confirmed that the capacity and design constraints experienced by NZAID are common amongst many of the international donor community in Timor Leste and that some of the capacity constraints are due to the size of the NZAID envelope. NZAID is the first of several donors (Irish Aid, USAID and AusAID) to have their SGP reviewed. Lessons from this process would benefit the other donors.

Does the Review raise issues for the wider country program?

Yes: The Review raises a number of wider country programme design issues for NZAID to consider that will inform the direction of the next phase for SCDF, but these are not presented in detail here as they are outside the scope of this review and have resource implications.

- How can SCDF be used to build strategic capability to develop bi-lateral programmes?
- How can SCDF be used to pilot innovative programmes?
- How can SCDF be used to build comparative advantage for NZAID?

IMPLICATIONS FOR THE FUTURE OF SCDF

The SCDF provides a flexible mechanism for NZAID to get close to Timorese communities and civil society and provides insights which are not always available through its other programmes. The next phase of SCDF should be considered within the strategic considerations of the whole country programme and informed by the lessons learned in this Review and the relationships built to date with CSO and government and international institutions. These include:

(1) Streamline focus around achieving outcomes

The Review raises a number of design issues for SCDF that should be considered to improve the mechanism's propensity for development impact. These include a greater emphasis on sustainable livelihoods and how the other focus areas can be mutually reinforcing. This will require a clearer definition of each of the focus area outcomes and what projects will be considered within them.

The review also highlighted the need to ensure all projects should anticipate and reduce tensions to support good governance.

(2) Support fewer and targeted projects

The Review notes the trend with donors in Timor Leste is to support fewer partners that have been selected with an emphasis on achieving outcomes rather than reaching financial acquittal within the funding year.

⁴⁹ In effective programme design there is a need to ensure that scarce resources are used to achieve or at least work towards meeting outcomes. To do so requires an understanding of what an outcome looks like, what can contribute to this and how it is measured for development impact.

The Review also recognises the small base of active partners it has developed from the first phase of SCDF and the lessons learned for both donor and grantees and the desire of these partners to develop a closer relationship with NZAID.

The Review notes that the fund should also retain some discretion on supporting emergent needs in this post-conflict environment.

(3) Include organisation capacity support mechanisms

The Review recognizes the pervasiveness of the capacity issues for civil society and the GoTL. This appreciation needs to be built into the SCDF management systems. The nebulous nature of community and organisational capacity building does not always lend itself to measurement and it will take time.

The Review supports the inclusion of capacity development support strategies that build capacity and reduce the compliance costs.

The Review particularly supports the training and capacity development of the DPC as a key resource and influence on the success of the SCDF and supports the provision of capacity development strategies such as business planning training to reduce potential operational risk for the grantees.

The Review highlights the commonalities of capacity development support requirements amongst donors and would suggest that any capacity development programme for SCDF could be considered in collaboration with other donors that have voiced an interest, e.g. Irish Aid and USAID for business planning support for grant managers and nominated partner organisations.

(4) Support opportunities for greater collaboration

The Review recognizes the importance of constructive mechanisms that facilitate donor, GoTL and CSO dialogue, learning and collaboration. There is a need to promote the sharing of lessons either through continuing to support GoTL or CSO mechanisms and a potential to support the development of resources.

The Review also recognises and supports the desire of grantees to have NZAID facilitate network and experience sharing between its SCDF partners.

APPENDICES

APPENDIX 1: GLOSSARY OF ACRONYMS USED

AusAID	-Australian Development Aid
AUSBAT VII	-Australian 7 th Battalion
CBO	-Community Based Organisations
CDTL	-Comunidade Desenvolvimento Timor Leste
CSO	- Civil Society Organisation
DAI	-Development Alternatives Incorporated
DIT	-Dili Institute of Technology
DPC	-Development Programme Co-ordinator
ETCAS	-East Timor Community Assistance Scheme (AusAID)
FRETILIN	-Frente Revolucionaria de Timor-Leste Independente
GIO	-Government Information Office
GoTL	-Government of Timor Leste
HATI	-Halibur Aswain Timor Loro Sa'e Foundation
HLT	-Hametin Lia Tatoli
HOM	-Head of Mission
HOMF	-Head of Mission Fund
IDP	-Internally Displaced Persons
INGO	-International NGO
JSMP	-Judicial System Monitoring Program
MDG	- Millennium Development Goals
MoH	-Ministry of Health
NDES	-National Directorate Environment Service
NDP	-National Development Plan
NGO	-Non Government Organisation
NNGO	-National NGO
NTF	-Naroman Timor Foun
NZAID	-New Zealand Agency for International Development
NZBAT 6	-New Zealand 6 th Battalion
NZDF	-New Zealand Defence Forces
PNTL	-Policia Nacional de Timor Leste
SCDF	-Social and Community Development Fund
SEPP	-Social, Economic and Political Participation Project (Oxfam Australia)
SGDN	-Small Grants Donors Network
SGP	-Small Grants Programme
SGS	-Small Grants Scheme
UN	-United Nations
UNDP	-United Nations Development Programme
UNHCR	-United Nations High Commissioner for Refugees
UNPOL	-United Nations Police
UNTL	-Universidade Nacional de Timor Loro Sa'e
US	-United States

APPENDIX 2: SCDF DATABASE ANALYSIS 2002-2007

(All figures quoted in US\$)

The data source used is a database developed to support the management of the annual allocation of SCDF grants. The database has been provided by the DPC and has been developed to enhance the monitoring and management systems for the SCDF. The allocation of SCDF for the five financial years 2002/3 – 2006/7 have been analysed.

The administration spreadsheet that lists grants during 2002/3 and 2003/4 has headings which note: Organisation, Title Project, Received, Location (by district), Status (ongoing, completed, withdrawn, refused), Requested, Disbursed, Payment date, Returned and Date Returned.

The administration spreadsheet that lists grants during the next three years 2004/5, 2005/6 and 2006/7 was adapted to include a broader range of information about the grants. It includes headings which are the same as the previous years - Organisation, Title Project, District, and Total Funding from NZAID (same as Disbursed). It also included several new headings - a numbering system (SCDF#), Aim of Project, Main Activities, Sector, Target Beneficiaries, Sub-districts, Hamlet, Village, Primary Contact, Start and End Dates and notes on issues raised within the project period. It also captures some of the comments from field visits, outstanding reports and ongoing monitoring of projects.

The change in headings between periods also reflects the changes in the guidelines since 2004 which have become more detailed and suggest an increase in profile of the fund as applications have become more varied.

The disadvantage of changing the headings is the inconsistency of the material captured over the last five years, although with the same headings used in the three years since 2004/5 financial years it does provide some useful history to draw some findings from.

Summary of SCDF drawdown 2002/3

Organisation Type	Projects	Location	Requested	Disbursed	%
NZDF (NZBAT 6)	3 x projects (marketplace and School rehabilitation)	Covalima District	\$63,789.89	\$63,789.89 ⁵⁰	35
AUSBAT VII	1 x Sub District Co-ordinators' building	Bobonaro District	\$22,721.35	\$22,721.35 ⁵¹	12
Moris Rasik ⁵²	2 x On-lending funds	Covalima District	\$43,000	\$43,000	23
OXFAM ⁵³	SEPP	Covalima District	\$24,400	\$24,400	13
Dept Education	Ermera Kindergarten Rehabilitation	Ermera District	\$8,920.80	\$8,920.80	5
Biahula	Water supply	Atauro	\$8,523.13	\$8,523.13 ⁵⁴	5
UNPOL ⁵⁵	Cycling shirts	National	\$13,000	\$13,000 ⁵⁶	7
TOTAL SUCCESSFUL PROPOSALS (10)			\$184,355.17		100%
TOTAL UNSUCCESSFUL PROPOSALS (6)			\$67,373.98		
TOTAL FUNDS			\$242,808.35	\$171,355.17	

- 16 proposals received
- 10 proposals were successful - of these 7 projects were completed within the financial year, 3 on-going.
- 6 proposals were unsuccessful – 2 refused, 2 withdrawn and 2 further information was requested
- The education sector received \$65,154.14 for rehabilitation or construction projects.
- Post-independence the New Zealand and Australian Defence Forces were the main recipients of the funds for larger education rehabilitations projects in the two border districts (Covalima and Bobonaro)
- Moris Rasik and OXFAM were already active in Covalima District prior to this funding
- The funds disbursed during this time ranged from \$5,200 for a computer training course in Liquica District to \$30,277.90 to NZ Defence Forces for the Construction of the Fohorem Market Place
- All projects for which funds were disbursed in this financial year were completed, with the exception of OXFAM who received multi-year funding through SCDF.

⁵⁰ \$30,277.90 was a grant for Fohorem Market Place, the remainder \$33,511.99 went to school rehabilitation projects

⁵¹ This includes the \$3,879.75 that was returned 8 May 03

⁵² Refer SCDF Snapshots – Micro Finance Institution – first tranche – used for on-lending

⁵³ Refer SCDF Snapshots – Social Economic and Political Participation Project (SEPP), tranches provided over three years

⁵⁴ This includes \$1,895.02 that was returned 18 July 03

⁵⁵ This appears to be an example where the SCDF and HOMF are used interchangeably. The small amounts to HOMF, the larger to SCDF.

⁵⁶ Not clear how cycling shirts for UNPOL meets the SCDF objectives

Summary of SCDF drawdown 2003/4

Organisation Type	Projects	Location	Requested	Disbursed	%
AUSBAT VII	School Building	Bobonaro District	\$25,000	\$25,000	10
Moris Rasik ⁵⁷	On-lending funds	Covalima District	\$25,000	\$25,000	10
GoTL Justice	Training, holding cell rehabilitation	National and Baucau	\$46,897	\$46,897	18
Timor Aid ⁵⁸	Thai Weaving	Covalima District	\$25,028.85	\$7,880	3
Rotary	Public Health	Dili	\$5,600	\$5,600	2
Education – various NGOs and schools	Training and Computer (1)	Dili	\$3,170	\$2,960	1
	Community School (1)	Atauro	\$24,000	\$24,000	9
	Vocational Training (4)	Various	\$44,449	\$34,049	13
Various NGOs	Water Supply (4)	Various	\$31,698.27	\$35,079	13
	Business Development (6)	Various	\$59,398	\$18,369	7
	Small Assets (2)	Various	\$8,175	\$2,045	1
	Community Development (1)	Atauro	\$22,317	\$22,317	9
	Misc development	National	\$10,125	\$10,125	4
TOTAL DISBURSED				\$259,321 ^{59, 60}	100%
TOTAL SUCCESSFUL PROPOSALS (28)			\$330,858.12	32%	
TOTAL UNSUCCESSFUL PROPOSALS (21)			\$692,870.86	68%	
TOTAL FUNDS REQUESTED			\$1,023,728.98	100%	

- total of 49 proposals received – 28 were successful, 21 were unsuccessful in obtaining funding
- The SCDF is fielding larger proposal amounts than the previous year
- 21 of the 49 proposals received were refused indicating a tightening of the criteria
- Total funds requested in excess of US\$1 million; successful proposals requested 32% of this amount.
- The disbursed funds were 78% of successful proposals requested amounts, which would suggest that the assessments are working
- Education sector received 33% of funds or \$86,009; \$25,000 was spent on rehabilitation projects
- A greater variety in proposers suggests the market is showing a greater interest in the fund – most of the funds are going to NGOs
- The lowest grant disbursed during this time ranged from \$800 for a computer and printer for an NGO in Taibesi-Dili District
- The largest grants were of \$25,000 (given twice this year: one amount to Moris Rasik [second tranche] and the second amount to the Australian Defence Force for reconstruction of the Biadila Secondary School in the Bobonaro District)

⁵⁷ Refer SCDF snapshots – Micro Finance Institution – second tranche – used for on lending

⁵⁸ Refer SCDF Snapshots – Thai Weaving, building a small cottage textile industry in Covalima

⁵⁹ This figure is different from that taken from the files – the difference is \$21,975 – the latter amount was provided from Jakarta for a Flashlight Project for the Policia Nacional de Timor Leste

⁶⁰ The figure disbursed \$259,321 is 78% of the successful proposals after assessment

- Projects for which funds were disbursed in this financial year all were completed except a National Community Computer Project and an animal husbandry project (goats) in Liquica District.

Summary of SCDF drawdown 2004/5

Organisation Type	Projects	Location	Requested	%
GoTL, NGO (2)	Capacity Building	National, Atauro	\$27,968	9
Various NGOs (3)	Human Rights	Various	\$20,425	7
Moris Rasik ⁶¹	Micro Finance	Covalima	\$25,000	8
UNTL ⁶²	Justice	National	\$24,839	8
Various NGOs (3)	Water Supply	Various	\$10,922	4
Various NGOs (7)	Business Development	Various	\$60,676	20
Various NGOs (3)	Good Governance	Various	40,290	13
Ministry of Health (MoH)	Policy project, Community Health program	Various	\$16,100	5
HATI ⁶³	Agriculture and Fisheries	Dili	15,430	5
Various Education	Small Assets (3)	Various	\$15,044	5
	School Rehabilitation (3)	Various	\$24,312	8
	Education Sector (1)	Various	\$20,156	7
TOTAL SUCCESSFUL PROPOSALS (31)			\$301,162	98%
TOTAL UNSUCCESSFUL PROPOSALS (1)			\$5,000	2%
TOTAL FUNDS REQUESTED			\$306,162	100%

- The table reflects the changes in the SCDF guidelines and the proportion of successful proposals suggests that these are improving the targeting of the funds
- A total of 32 proposals were noted – 31 were successful, 1 was not. This funding was cancelled and the budget returned. The project was a mobile health clinic for the 5 villages in Railako. This appears to have been done at the request of the community.
- Education sector a significant recipient of funds at 20%, or \$59,512 of which \$24,312 was granted towards school rehabilitation
- Business development projects made up a bigger portion of the funds at 20%
- Two projects specifically targeted women – a holding cell for women and children in Baucau for the Policia Nacional de Timor Leste and an income generation project in Dili.
- Six projects targeted children and were involved in improving facilities in the education sector.
- Most projects were targeted at communities and households.
- Funds under \$10,000 disbursed during this time ranged from \$898 for a water and sanitation repair project in Walili to \$9,385 for a school rehabilitation project in Salele.
- 21 of the 31 proposals accepted were under \$10,000, of these 11 were \$5,000 or less
- The remaining 10 projects over the \$10,000 bracket ranged from \$10,900 for a national community health project; the maximum \$25,000 was awarded twice this year, one amount to Moris Rasik [second tranche] and the second amount to the Australian Defence Force for reconstruction of the Biadila Secondary School in the Bobonaro District

⁶¹ Refer SCDF Snapshots – Micro Finance Institution – third tranche – used for on lending

⁶² UNTL – Universidade Nacional de Timor Lorosa'e

⁶³ HATI – Halibur Aswain Timor Loro Sa'e Foundation

- The first tranche (of two) of a grant to support capacity building for the Judicial System Monitoring Programme (JSMP) was disbursed this year of \$12,033
- All projects for which funds were disbursed in this financial year were completed except a National Community Computer Project and an animal husbandry project (goats) in Tibar-Liquica.

Summary of SCDF drawdown 2005/6

Organisation Type	Projects	Location	Requested	%
Various NGOs (4)	Agri-Business	Baucau and Covalima Districts	\$41,004	14
Various NGOs (4)	Income Generation	Various	\$38,148	13
Various NGOs (3)	Water Supply	Various	\$38,207	13
Various NGOs (2)	Social Services	Various	\$6,850	2
HLT ⁶⁴	Sanitation	Covalima	\$2,440	1
Various NGOs (3)	Human Rights	Various	\$40,540	13
NDES ⁶⁵	Environment	All	\$10,928	4
PNTL ⁶⁶	Justice	All	\$7,175	2
Various Education	Health Programme (2)	Ermera and Covalima Districts	\$4,370	1
	Pre-school (2)	Ermera and National	\$53,405	18
	Rehabilitation (1)	Manatuto	\$11,232	4
	Youth Employment (2)	National and Baucau	\$42,302	14
	Training (1)	Dili	\$3,732	1
TOTAL SUCCESSFUL PROPOSALS (27)			\$300,333	100%
TOTAL UNSUCCESSFUL PROPOSALS (0)			-	
TOTAL FUNDS REQUESTED			\$300,333	100%

- A total of 27 proposals were noted.
- The education sector was funded at 38% of the SCDF in this year at \$115,041. The year saw a wider range of proposal areas, including youth training targeting skills and employment opportunities. This also included the Dili Institute of Technology (DIT) for equipment to run a mechanical workshop.⁶⁷
- Income generation projects and agri-business combine to make up 27% of SCDF funds
- Three projects were specifically targeting women, four for students in the education sector and two at pre-school age⁶⁸
- Funds under \$10,000 disbursed during this time ranged from \$2,116 for a water rehabilitation project in a secondary school in Salele in Covalima District to \$7,917 for a womens handicraft project in the Lautem district.
- A total of 15 out of the 27 proposals accepted were under \$10,000, of these 11 were \$5,000 or less

⁶⁴ HLT - Refer SCDF Snapshots – Water and Sanitation Projects in Covalima

⁶⁵ NDES – National Directorate Environment Service

⁶⁶ PNTL – Policia Nacional de Timor Leste

⁶⁷ DIT – Refer SCDF Snapshots -

⁶⁸ This included Ba Futuru which provided peace training for preschool age children in orphanages and IDP camps

- The remaining 12 projects over the \$10,000 bracket ranged from \$10,928 for staff training at the National Directorate Environment Service to \$48,405 for a project with the Ministry of Education Pre-primary Division for a technical assistance contract for 75 kindergartens in Timor Leste.
- The second JSMP tranche was disbursed this financial year of \$12,033
- 8 of the 27 successful proposals in this financial year were still ongoing by the end of the financial year – these projects ranged from a grant of \$7,175 to purchase equipment for the Timor Border Police Unit to \$24, 989 for children’s workshops at orphanages and IDP camps in Dili and Baucau.

Summary of SCDF drawdown 2006/7

Organisation Type	Projects	Location	Requested	%
Health (2)	Maternal Health	Covalima District and Dili	\$20,000	8
GIO ⁶⁹	Communication	National Office	\$23,471	10
NTF ⁷⁰ (2)	Water Supply	Maubara, Liquica District	\$37,486	16
Various NGOs (2)	Business Development	Baucau and Aileu Districts	\$15,000	6
PRADET	Social Services	Head Office	\$4,400	1
Various Education	Vocational (1)	National	\$15,089	6
	Preschool (1)	Baucau District	\$8,830	4
	Small Assets (2)	Lautem District	\$12,670	5
	Rehabilitation (6)	Various	\$74,273	32
	Construction (1)	Covalima	\$23,934	10
	Communication (2)	National	\$5,071	2
TOTAL SUCCESSFUL PROPOSALS (21)			\$240,224	100%
TOTAL UNSUCCESSFUL PROPOSALS (0)			-	
TOTAL FUNDS REQUESTED			\$240,224	100%

- A total of 21 proposals were noted.
- Education sector the key sector funded at 58% of the SCDF in this year. The majority of the funding is in school rehabilitation.
- Both of the health projects focused around maternal health
- Several NGOs – water and school rehabilitation and construction projects have been able to obtain funding from SCDF 2005/6 and 2006/7 – showing signs of capability development within SCDF
- Funds under \$10,000 disbursed during this time for ranged from \$471 for a community radio project for pre-primary education to \$10,000 for a literacy education pilot programme with the Resource and Training Centre in Aileu District.
- A total of 10 out of the 21 proposals accepted were under \$10,000, of these 6 were \$5,000 or less
- The remaining 11 projects over the \$10,000 bracket ranged from \$10,270 for a solar power project for the Don Bosco Secondary School in Lautem District to \$23,934 for an education sector construction project in Covalima District
- 5 of the projects for which funds were disbursed in this financial year all were still ongoing by the end of the financial year – these ranged from a small assets purchase of \$2,400 for a Don

⁶⁹ GIO – Refer SCDF Snapshots

⁷⁰ NTF – Refer SCDF Snapshots

Bosco training Centre in Baucau District to \$10,000 for the Resource and Training Centre in Aileu District

SCDF Grant Activity by Districts

District	2002/3	2003/4	2004/5	2005/6	2006/7	Total
Aileu			2		1	2
Ainaro			1	2		3
Baucau		2	4	4	4	14
Bobonaro	3	2	1	1		4
Cova-lima	6	3	2	5	7	17
Dili ⁷¹	4	11	8	5	1	25
Ermera	1	1	4	3		8
Lautem			2	1	2	5
Liquica	1	2	1	1	2	6
Manatuto		2	3	1		6
Manufahi			3	2		5
Oecussi-Ambeno			1	2		3
Viqueque		1		1		2
National	1	4	9	4	4	21
Total ⁷²	16	28	41	32	21	138
Multi-region ⁷³		4	4	2		10

- 21 grants were given to National Projects
- Of the 117 locations which were not for national projects, the main geographical focus for the grants has been Dili, Baucau and Covalima – taking 56 of the project sites or 48% - this reflects SCDF historical focus of Covalima (with the NZ Defence forces stationed there) and Atauro Island.
- the remaining 61 project sites or 52% were spread around the remaining 10 Districts
- The spread of the grant activity may dissipate some of the potential for accumulative impact of NZAID funding, at the district, sub-district, village or hamlet level for comprehensive development.

⁷¹ Includes grants to Atauro Island

⁷² As this includes multi-site projects, these sites were counted so the total number will exceed the actual number of projects that received grants

⁷³ This figure denotes grants that were not for national projects but were implemented in more than one district

APPENDIX 3: SCDF SNAPSHOTS

The following summary highlights the key areas covered through the SCDF Snapshots. The selection of the projects reviewed mirror the funding direction of the SCDF, with the majority of the funding in education and sustainable livelihoods.

Organisation by Sector	Education	Sustainable Livelihoods	Good Governance	Human Resource
Ba Futuru			✓	
CDTL	✓			
DIT	✓			
GIO				✓
HLT	✓			
JSMP			✓	
Moris Rasik		✓		
NTF		✓		
Oxfam		✓		
Roman Luan	✓			
Timor Aid		✓		

Of the 11 projects, Moris Rasik and Timor Aid have the strongest gender focus within programme design: Moris Rasik due to its focus on marginalised women e.g. poor women and particularly widows; Timor Aid as the project funded supports the development of a weaving industry and weavers are traditionally women.

This assessment of each of these projects also suggests that although it is not explicitly measured it could be argued that participation issues have been structured into all of these projects, across communities, sectors, ages and gender.

There were a number of key issues raised through these 11 projects which can inform SCDF. These have been summarised here:

Issues	No. of organisations raising issue
Critical of level of compliance particularly for NGOs/CSOs in proposal writing and reports – some supportive of capacity support	4
Capacity Building structured through the project design and delivery through the use of international staff	4
Multiple tranches	1
Appreciated that proposals can be accepted in several languages other than English	3
Multiple funding provides complexity to management scope for grantees but reduces risk of single donor/project funding	1
SCDF - flexibility to discuss changes in use of funds and timeframes	2
SCDF opportunity to build trust and looking for more ways to co-operate with NZAID and build deeper relationships	5
Could benefit from better networking between other NGOs - some would like NZAID support to do so	5
Complementarities with Irish Aid funding and support for NGOs	2
Additional support required to ensure long term sustainability of SCDF grant	2
Signs of early absorptive capacity in NNGOs	5
Good development practice reflected in project design ⁷⁴	6
Regarded NZAID change of policy in geographical emphasis negatively	1

⁷⁴ This includes drawing from good international practice, community participation and consultation pre-funding and ongoing post-intervention, community responsibility and management of project post intervention ensured and structured into programme post intervention.

NGO Good Development Practice

A number of 'good development' practices were identified and shared at the Feedback Workshop – it should be noted that these were not necessarily common amongst NGOs but are lessons that could be shared amongst them to enhance their own practice.

Outcomes – understands quality outcomes for funder/donor and how to structure them into their project design

- Able to identify the correlation of their intended programmes to donor outcomes and actively structure them into their programme design

Able to negotiate environment – environmental analysis capability, links to national forums

- Had the capacity and linkages to national fora that provided a better sector or country perspective

Inherently builds community capacity for better decision-making and towards self-reliance through project design

- Able to reflect in their project design the importance of pre-development intervention facilitation – whether this was a needs assessment process, consultation or facilitation of community dialogue - with their communities of interest and were able to translate this into their proposal discussion and link to donor outcomes

Understands long-term programme development – building on existing platforms and projects

- Able to perceive a long-term strategy for their projects.
- This was at times constrained by the SCDF funding mechanism in that the size of any tranche was a maximum of US\$25,000, but there were exceptions with multiple funding over a number of years e.g. OXFAM Australia, Moris Rasik

Adequate monitoring and evaluation systems

- Only the larger international donors actively used monitoring and evaluation as a rigorous practice e.g. OXFAM Australia. This capacity is also reflective of an NGO's capacity in programme design and not being reliant on the SCDF funding to undertake this activity.
- Some monitoring is required by NZAID. This is noted in the final report which includes a financial analysis of the funds used.

Good funder relationships - keep in contact with funder

- Understood the responsibility to keep the funder (NZAID) informed of any changes in the proposal design and implementation

Evidence of Early Absorptive Capacity

Early absorptive capacity was evidenced and also shared at the Feedback Workshop. This was more common in the international and national Timorese NGOs, but a few smaller NGOs possessed a number of these characteristics.

Strong lateral connections – local government, central government, sector interest groups

- This in turn informed their proposal discussion, ensured better lateral linkages, capacity to develop strategic alliances, contribute to advocacy groups

Well run – board, policies and practices

- Several larger national NGOs and many internationally-affiliated NGOs had boards of some substance that also assisted in steering the strategic thrust of the organisation, provide a standing in the community and additional networking links

Actively networks – building collaborative relationships, national and international

- Again this is reflective of the larger national NGOs⁷⁵

Actively builds own capacity – inside and outside organisation

- The issue of capacity of staff is being consciously worked through with some larger NGOs like Moris Rasik who were hiring school leavers and training them on the job.
- The success in the use of internationals in several cases should not be underestimated. For example, GIO and JSMP – comments from the organisations noted that they were happy for internationals to lead initially but Timorese leadership needs to be a clear strategic intent. The role for internationals was then to become advisors – this allowed capacity to remain available.

Strategy led approach rather than donor funding approach

- Many of these were Dili-based NGOs and some of the most prominent examples were established through international donor initiatives, were resource organisations and still had access to international staff.
- Undertook strategic planning as a standard practice

Some NGOs have built strategic capacity to move to larger funding envelopes and bigger donors

- A number of NGOs have consciously looked at SCDF funding as a bridge towards bigger funding envelopes

⁷⁵ Networking and collaboration does not appear to be a common practice among NGOs – particularly for NGOs this may be a reflection of the perception of the competitive nature of donor funding.

Ba Futuru	
Organisation/Type	<ul style="list-style-type: none"> • A small NGO established in 2004 – Ba Futuru means ‘for the future’ • Has offices in Bacau and Dili • Currently employs 18 staff
Organisation Purpose	<ul style="list-style-type: none"> • Mission: to implement programming focused psycho-social activities for mutual learning, capacity building, artistic self-expression and child's rights • Goal: enhanced ability of children to transform the culture of trauma and violence by expressing themselves through non-violent means
Experience other donors	<ul style="list-style-type: none"> • British Embassy, Belun, Caritas, Concern, Austcare and UNICEF , UNCHR
Relationship with NZAID	<ul style="list-style-type: none"> • One funding application US\$24,989
Project Outline	<ul style="list-style-type: none"> • SCDF 2005/6 • Transformative Arts and Human Rights Education (TAHRE) programme to build capacity to consolidate peace in Timor Leste: provides disadvantaged children with enhanced ability to respect the rights of others and protect themselves from violence, as well as providing childcare workers with the knowledge and skills for child protection
Development Process and Development Impact	<ul style="list-style-type: none"> • Through this funding the TAHRE programme was implemented in five childcare centres with 16 different groups of children and youth and in five IDP camps (Dili and Baucau) providing more than 700 children, staff and youth with new peace building skills

Comunidade Desenvolvimento Timor Leste (CDTL)	
<i>Proposal in Bahasa Indonesia</i>	
Organisation/Type	<ul style="list-style-type: none"> Local NGO established in 2004 Focus in Covalima District
Organisation Purpose	This NGO works closely with Padre Natalino who is overseeing the construction of the Library construction for the Catholic secondary school in Suai also funded by NZAID SCDF ⁷⁶
Experience other donors	Received funding from Irishaid to fund sanitation project
Previous Relationship with NZAID	<p>Has other successful applications with NZAID SCDF</p> <ul style="list-style-type: none"> Construction of one unit library at Ave Maria Catholic Secondary School (SMUK) with toilet and small water facility in Suai, Covalima District (US\$23,934 – 2006/7) Construction to rehabilitate classrooms at Hasin Primary school in Maucatar, Covalima District – direct beneficiaries 129 students (US\$6,011 – 2006/7)⁷⁷ Funded latrines in Covalima District under HOMF US\$2,000
Project Outline	<ul style="list-style-type: none"> SCDF 2006/7 Funding sought US\$15,055 Funding to rehabilitate three classrooms and one teacher room at Larabai Primary School Suai, Covalima This included fixing cracked walls, doors windows, floors, roof and ceilings, this included repair of the toilets, tables and school chairs tables and bookcases 283 children attending the school will benefit
Development Process and Development Impact	<ul style="list-style-type: none"> School Rehabilitation Project supports NZAID key thematic area to improve basic education in rural areas

⁷⁶ Visited Catholic secondary school

⁷⁷ This school was not considered in the national planning programme for GoTL as it was located far away in rural area that had no access to get there. Parents had attempted to rehabilitate the school in 2002 with re-used buildings materials from burned houses, this however was a short term solution

Dili Institute of Technology (DIT)	
Organisation/Type	<ul style="list-style-type: none"> • A non-government, community-based, non-profit educational institution, established in 2002. • Registered with the Ministry of Education and the Office of the Secretary of State for Labour and Solidarity. Offers a range of courses at Batchelor and TAFE Certificate levels. • The organisation has a Board whose members are drawn from academia, business, and community and veterans association. • DIT has 31 full time staff and 36 part-time staff in the two schools; 472 students enrolled for the 2005-6 year. • DIT actively develops international partnerships and networks throughout the country and overseas to collaborate on joint ventures that enhance education and training opportunities that support the Institute.
Organisation Purpose	<ul style="list-style-type: none"> • Mission: to provide education, practical training, research and service at the highest international standards, to satisfy the community needs for people with knowledge, expertise and skill in science, technology and professions, appropriate for the national development of East Timor and the broader socio-economic advancement of the region • DIT has four divisions – the Academic Schools: the School of Business and Management and the School of Engineering and Science; Administration and Finance; Research and Development – includes the Centre for Applied Research and Policy Studies (CARPS); and Support Services – including a library, the language unit and information technology • DIT also has new buildings in Baucau offers practical, vocational courses to Veterans of the resistance - offering courses in building construction and electrical trades • The ground where the Manleuana campus is located has been purchased by DIT and is part of the organisations long-term sustainability strategy.
Experience other donors	<ul style="list-style-type: none"> • Range of support received: Victoria University, Canberra Institute of Technology, USAID, AusAID, the ANZ bank, Rotary Clubs of Australia • The Manleuana campus has benefitted specifically from the support of several donors – US\$19,980 from the British Embassy for the first building and US\$19,000 from AusAID for the third building built on the site
Relationship with NZAID	<ul style="list-style-type: none"> • Previous funding received fund Provision of automotive machines and equipment and a small shed for training (US\$23, 500 – SCDF 2005/6))
Project Outline	<p>Vocational training school programme at Manleuana, Dili –for the completion of the workshop equipment (US\$15,089 – 2006/7)</p> <ul style="list-style-type: none"> • The return of two staff returning from Canberra Institute of Technology has provided the opportunity to look for funding to upgrade the workshop on the second campus. • The purpose of the grant is to upgrade the DIT's Automotive Workshop facility – providing adequate space for hands on practical work for the training -by building the second part of the workshop at their newly created campus in Aimutin Dili.
Development Process and Development Impact	<ul style="list-style-type: none"> • “This is a growing industry with no existing strategy for the skilling of the workforce, currently workers in small local automotive businesses pass on limited skills through incidental on-the-job training” • The project aims to help students gain necessary skills to obtain employment and to work effectively in local automotive businesses

Government Information Office (GIO)	
Organisation/Type	<ul style="list-style-type: none"> • A specialist service provider that sits with a semi-autonomous function within the Office of the Prime Minister – began in late April 2004, training began by August 2004 for GIO1, GIO2 November 2005 – October 31 2006 – funded by DAI/USAID • Unit was initially setup through an agreement between the GoTL government and USAID, with the GoTL providing offices and USAID providing funding for national and international staff, specialist equipment and sufficient office space. • Unit operates under the oversight of the Minister for the Presidency and the Council of Ministers through MoUs and has a clear action plan • All information given in Tetum – all trainee resources also produced in Tetum and some limited editions are in English
Organisation Purpose	<ul style="list-style-type: none"> • To build communication skills and capacity within the Timor Leste Public Service • The core aim of the GIO is to assist the Government Ministries to communicate more frequently and more effectively with the population – especially those in non-urban areas, through long term mentoring and training of civil servants from select ministries in communication, media liaison and community outreach skills
Funding experience with other donors	<ul style="list-style-type: none"> • Have received initial core funding from USAID/DAI for first two programmes – GIO1 and GIO2 • Successful in obtaining GoTL approval to absorb the unit as part of the government
Funding relationship with NZAID	<ul style="list-style-type: none"> • GIO3, US\$23,471.00 (completed December 2006, for phase 1 and 2)
Project Outline	<ul style="list-style-type: none"> • GIO3 a 10 month programme NZAID funding supported phase 1 and 2 for the first six months of the programme – a different funder was sought for phase 3 and 4. • The budget was used for operational costs including the national and international trainers fees • At the time of funding the GIO team was training 20 civil servants from Labour and Community Reinsertion, Public Works, Development, Natural Resources Minerals and Energy Policy and the Tax division of the Ministry of Planning and Finance – as well as supporting graduates who frequently use the facility and specialist equipment and advice from GIO trainers when they require support
Development Process and Development Impact	<ul style="list-style-type: none"> • The success of the unit is reflected in the ability of it to retain its position after the 2007 election and the GoTL has agreed to take over responsibility for funding; this has started with the Prime Minister agreeing to fund 10% of GIO operating budget in his 2006/7 budget • Phase 1: 2 months: The unit establishes its prospective market need by conducting a comprehensive needs assessment in the marketplace through active consultations across many sectors and reviews the emerging communication needs for GoTL Ministries. This is then formalised through reports and discussions with the Prime Minister and his advisors to decide which Ministries or government institutions require training • Phase 2: 4 months: Mentor GIO trainees to understand expectations of ministries in terms of communication deliverables and demonstrated commitment to GIO training: assist trainees to establish communication channels inside and outside their own ministries/divisions • Phase 3: 4 months: Equip GIO trainees with understanding and practical experience to identify target audiences; create and use a range of communications tools and communication channels to meet communication challenges within their ministry/division; concentrate on effective delivery of messages at a district and sub-district level • Phase 4: 2 months: Building strong 2-way communications channels with Civil Society • The main benefit for the GoTL is the specific skills capacity and targeted outputs which directly relate to enhanced communication between GoTL, other sector actors and the wider TL community and enhances the GoTL capacity to support

	<p>better communication</p> <ul style="list-style-type: none">• Selection of trainees ensures success as only grade 4 and above with excellent attendance records and an interest in learning about communication – any constraints within a Ministry are avoided through the strong support the Prime Minister has for the foundation of the unit and an understanding of the need for better communication for the unit and its capacity development process for TL• Access to the latest computers and software for the trainees during and after the training allows each Ministry the opportunity to have access to high level outputs without the necessary investment• High quality job relevant examples were sighted that included brochures, public health flip charts, information cards, training guidebooks
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Hametin Lia Tatoli (HLT) <i>Proposal in Bahasa Indonesian</i>	
Organisation/Type	Local NGO in Covalima
Organisation Purpose	NGO works well with community in Covalima
Experience other donors	Received two funding rounds from Irishaid in small construction and community centre and families latrines in Covalima with good result
Relationship with NZAID	Previous funding received School rehabilitation in Beco Zumalai rehabilitation in Covalima District (US\$ 23,934 - 2006/07) <ul style="list-style-type: none"> • Construction Toilets and deep well systems in Covalima (\$US2,440 - 2005/6)
Project Outline	<ul style="list-style-type: none"> • Rehabilitate Catholic Primary School Ailok, Laran, Suai, Covalima District (US\$15,932 - 2006/7) Direct benefits 278 students
Development Process and Development Impact	<ul style="list-style-type: none"> • School Rehabilitation • Project supports NZAID key thematic area to improve basic education in rural areas



School Construction in Beco Zumalai

- Rehabilitation of building shell destroyed after Indonesian withdrawal in region
- Children still have no desks and chairs



Village in Covalima: Construction of toilet and well

1. Toilet only used by community for visitors situated next to community meeting house
2. The intention is that this was to be a village facility
3. No post-project Management Group evident as toilet needs maintenance and cleaning - otherwise it becomes a health hazard
4. Funding was nominal at \$2,440 this level of funding could not have provided sufficient budget for pre-intervention community facilitation



Judicial System Monitoring Programme (JSMP)	
Organisation/Type	<ul style="list-style-type: none"> An independent organisation established in 2001 Three units – Legal Research; Women’s Justice (established February 2004); Victims Support Service (established in 2005) and Outreach Extension – the dissemination of information resulting from JSMP legal research and analysis, legal education and activities and advocacy programmes
Organisation Purpose	<ul style="list-style-type: none"> Established to monitor the ad hoc Human Rights Tribunal in Jakarta, Indonesia and the Special Panels for Serious Crimes in Dili, Timor Leste. JSMP’s focus then shifted to the domestic national system with regular monitoring of district courts and the Court of Appeal. Objective to provide ongoing evaluation of the judicial system in Timor Leste Conducts court monitoring of the judicial system and analyses draft law before it has been approved and writes reports making recommendations to contribute to the development of Timor Leste’s judicial system In 2005 produced a radio documentary on Truth and Friendship Commission Post UNOTIL HR Unit, has been nominated JMSP Outreach Unit as a partner in a joint human monitoring programme and provisional recipient of funding to continue this work when it closed in 2006 Outreach achieved by – radio (talk back delivered to 12 community radio stations outside Dili), web (updated daily), TV (monthly panel discussion) , emailed reports (800 on mailing list), media
Experience other donors	JSMP receives funding from multiple donors – including USAID, the Asia Foundation, UNDP and AusAID for routine and project activities
Relationship with NZAID	<ul style="list-style-type: none"> Strengthening Communities through Advocacy of Law and Justice: A Justice Outreach Programme for Timor Leste US\$79,000 NZAID funded organisation programme as part of the bilateral programme 2005/6
Project Outline	<p>Capacity Building Outreach Activities to Promote Law and Justice in Timor Leste (US\$12,033 – 2005/6)</p> <p>Grant objectives</p> <ol style="list-style-type: none"> Strengthen JSMP’s ability to extend information on judicial matters to remote and vulnerable communities Remote communities will be better informed of their judicial rights within the rapidly developing and transitional justice system Through effective training of police and judicial actors, the providers of justice will be better informed of the rights of community members, particularly vulnerable groups such as women and children
Development Process and Development Impact	<p>Outcomes:</p> <ul style="list-style-type: none"> A structured long-term capacity building plan (co-funded with Australian Volunteers International) Community workshops have been conducted in the districts for some 423 people across 12 districts on human rights, law, gender-based violence Project looked to address the lack of knowledge and understanding in the Timorese community regarding legal and justice issues through a broad range of mediums A large part of the outreach Unit’s work was focused on empowering and informing women in remote communities JSMP has signed a MOU with Radio Tomor Kmanek for national broadcasts of monthly programmes addressing topical issues in human rights, justice and law relevant to remote communities A major extension of this programme is the distribution of pre-recorded Magavoice Messenger playback units to community representatives through TL – containing a short drama concerning what women should do in the event they become victims of gender-based violence JSMP’s education includes local police officers

Moris Rasik	
Organisation/Type	<ul style="list-style-type: none"> • Moris Rasik is a National NGO, specialising in microfinance programmes • Has had a partnership since inception with the CASPOR network to provide technical assistance. Has had a funding partnership with HIVOS since 2001 to provide funds for on-lending and operations. Has also accessed loans from Bank Mandiri and from two private lenders for on-lending funds • Started operations in November 2000 in the Bobonaro District. It now operates in all 13 Districts with 120 staff operating out of Districts offices with the Head Office in Alieu. • Has developed a number of loan products: primary loan, mature groups, small business loan and consumption loan for public servants • Currently 2,500 groups and 18,500 active members in 434 centres? – no clients in Dili • Organisation appears to have weathered the trade disruptions and therefore lending and savings flow due to the 2006 crisis reasonably well
Organisation Purpose	<p>Reduce rural poverty. Rural livelihoods programme through on-lending to poor women</p> <ul style="list-style-type: none"> • As a result of the 2006 crisis MR developed a comprehensive strategic plan and has sought donor support – the plan will allow MR to break-even by May 2007 it includes strategies for greater institutionalisation of their organisational structure and strengthening their internal systems, reducing costs for rural poor, support for micro-insurance in order to support their expansion to a national MFI
Project Outline	3 tranches of funding \$25,000 each for on-lending – first tranche US\$25,000 SCDF 2003/4
Relationship with NZAID	<ul style="list-style-type: none"> • Funded 3 tranches of US\$25,000 for disbursement of loans to poor women in Covalima – US\$25,000 • Funding has included one grant for operational costs in 2002 • Funding for Sustainable Livelihoods Project provided through Bi-lateral
Experience other donors	<ul style="list-style-type: none"> • Received support from a number of Dili-based donors (including NZAID): DAI/USAID, Development Co-operation Ireland, CIDA and AusAID. This strategic support has enabled expansion from 2 to 13 districts and developed skills of all staff most of whom were school leavers and trained on the job • Strong endorsement from USAID DAI about this NGO being the only one that could pass a US Audit
Development Process and Development Impact	<ul style="list-style-type: none"> • Report from MR 13/6/04 noted that repayment from first two loan tranches had a repayment level of 99% - which allows funds to continue to revolve for poor households where it is used for investment and income generation. • A process of active consultation goes into the development of each group to ensure preparation for group lending and support • The types of businesses – barrow kiosk. Agriculture to sell at the markets, tofu, motorbikes • Positive impact – changing their lives – sending children to school, housing conditions, building a modern home, attitudes, health • Challenges – misused credit, gambling, thereby reduces capacity to repay funds: sometimes will help re-group but this can only come from the other groups in the <i>aldeia</i>. Each group has own issues – some don't really know what they are doing or issues of social jealousy arise – burning of house • Strong internal M&E systems

Naroman Timor Foun (NTF)	
Organisation/Type	A local NGO that specialises in providing rural community development through water and sanitation to communities in Timor Leste Established October 2001 Registered member of Timor Leste NGO Forum
Organisation Purpose	To upgrade rural communities quality of life to bring prosperity and reduce poverty
Experience other donors	Care International, Columbia University, CIDA, Irishaid, British Aid BELUM, NZAID and other donor institutions in cleaning water and sanitation health promotion capacity building in the districts of Ainaro, Liquica and Aileu
Relationship with NZAID	Funded previously - rural water supply system (rehabilitation and new construction) in Ainaro and Liquica districts Water project, Ainaro, sub district Maubisse, Aldeia Surulaka, (US\$12,504.00 – SCDF 2005/6) Water project, Ainaro, sub district Maubisse, Aldeia Hatu buti, (US\$18,372.00 – SCDF 2005/6) Water project, Liquica, sub district Maubara, Aldeia Caibar (US\$18,808.77 – SCDF 2006/7)
Project Outline	Water Project , Liquica, sub district Maubara, Vaupu sub Village, Vatuboro Village (US\$18,677.90 – SCDF 2006/7)
Development Process and Development Impact	<ul style="list-style-type: none"> • Leader of village and community members approached NGO to rehabilitate and construct new pipeline water system • Water has direct effect for 159 chief of family – total population of 681 people; particularly women and children water collection duties • Water User group established NTF also trains group how to manage financial and repair the system if broken • NTF facilitated support from Local Government (District Development Officer) • Labour provided voluntarily by community – the village council of the Vaupu community very enthusiastic to have clean water • Community working groups developed and maintained throughout project implementation so good skills transfer and co-operative decision-making supported



Water Project in Maubara:

1. Village welcome
2. View of village from the road
3. Water tank now services 681 people particularly women and children
4. Village assisted in construction of tanks and now enjoy good access to water
5. Good post-project management committee
6. Village keen to see other developments across a range of areas
7. Village also voiced a keenness to extend water across to next hamlet

The village committee voiced their appreciation and noted to the Review Team that they had been largely ignored even during Indonesian times, as their village lies below the main road. Their plantations lie above the road only accessible through steep inclines.

This project has immediately reduced the time spent by women and children of the village to gather water

OXFAM Australia	
Organisation/Type	Large International NGO
Organisation Purpose	International NGO
Experience other donors	International NGO
Relationship with NZAID	International NGO – collaborates with OXFAM New Zealand
Project Outline	Social, Economic and Political Participation (Improve capacity of CSO village leaders and local government in order to contribute to the social and political equity of men and women to exercise their social economic and political rights[working with 9 local partners – LNGOs and CBOs –6 sub districts in Covalima District – Fatumea, Tilomar, Fatululik, Maucatar, Zumalai, Suai (US\$24,400 – SCDF 2003/4)
Development Process and Development Impact	<ul style="list-style-type: none"> • In mid 2002, Oxfam Australia in partnership with Oxfam NZ was successful in receiving a 3-year commitment of funding of NZ\$150,000 p.a. through NZODA VASS for the Social, Economic and Political Participation (SEPP) in Covalima District Programme. Further funding was received from AusAID through Oxfam Australia for increasing support for livelihoods and CBDM activities. • 2003 – June 2006: 3 year long-term integrated rural development programme – supporting Civil Society development, district development, environmental health and nutrition, disaster preparedness and mitigation, gender equity and active citizenship – Evaluation Report conducted. • July 2006 – present Oxfam funding partners have committed to ongoing support for the programme for further 3 years

Roman Luan	
Organisation/Type	Started by community leaders and works under a board of management consisting of 12 representatives of Atauro village
Organisation Purpose	Roman Luan is an Atauro community owned NGO that supports education and participatory community development since its formation in February 2000. <ul style="list-style-type: none"> • Programmes include 5 kindergartens (Vila, Beloi, Makili, Bileki, Macadade), 2 early library community schools (remote sub villages of Ilitimur (Macadade) and Adara (Beloi), community library (Vila) and mobile library; • Participatory community development: environment health and sanitation and community resource management (water and electricity) • Community Eco-Tourism Development (supported by Tua Ko'in Eco-Village)
Project Outline	Pre School Education programme in 5 pre-schools, Atauro sub district, Dili District <ul style="list-style-type: none"> • To provide early literacy and provide professional development for the teachers • To encourage children to go to school and also encourage the mother to look after their children instead of fetching water • Support good health and good environment to the community through a clean water system
Relationship with NZAID	Long term NZAID partnership especially for ECE since 1995, the funds came from NZ Embassy in Jakarta – after 1999 the funding came from the SCDF <ul style="list-style-type: none"> • Participatory Community Development Programme (PCDF) in Adara and Ili Timur hamlets, Atauro Island (US\$46,900 – 2003/4 2004/5) • Pre-primary education/Early childhood Education (US\$44,156 – 2003/04 2004/5) • Generator supply includes solar panel installation for Atauro health centre and Roman Luan office (HOMF – US\$1,228)
Experience other donors	Participatory community development programme is supported by the Australian Conservation Foundation – ACP and Ba Aan Rasik - UNDESA
Development Process and Development Impact	<ul style="list-style-type: none"> • The first kindergarten was opened on Atauro at the request of the village head in Vila in January 1996, by PPSDM (the forerunner to the NGO Roman Luan – since then four other kindergartens have been opened • Roman Luan provides teacher and parent support and training. • The kindergartens are recognised by the Department of Education which also provides some training. • The 'Manutasi' Kindergarten in Vial has been used as a practice kindergarten for trainee teachers from the Baucau Teachers College, and past teachers are now employed by the Department of Education

Timor Aid	
Organisation/Type	<ul style="list-style-type: none"> • Tuban Rai Timor (Timor Aid) is a registered East Timorese non-profit charitable NGO founded in 1998 by East Timorese and long-term East Timor supporters who worked closely with Nobel Peace Laureate Dr Jose Ramos Horta. • Timor Aid was a prominent provider of relief during the emergency period of 1999-2001 • Had to refocus in 2001-2 • 2003 – restructured to focus on health, information dissemination and education, worked on the NDP, NDP - highlighted community development issues by sector – infrastructure, income generation, agriculture, health and education – noted the cross cutting issue was capacity building. From here developed a Programme of Action • At the time of the proposal Timor Aid employed 80 staff with projects in 9 of the 13 districts • Timor Aid is a founding member of the East Timorese NGO Forum and has on-going collaborative and supportive relationships with other Timorese NGOs and East Timorese training institutes
Organisation Purpose	Works in Manufahi (Same), Viqueque, Oecussi (Ambeno) and Covalima (Suai) Districts
Experience other donors	<ul style="list-style-type: none"> • The organisation has received major project funding by a number of European Donors and NGOs, the EU, USAID, the British Embassy, AusAID, CIDA, UNICEF, other UN agencies as well as various private foundations • The first stage (March 2003 – funder UNIFEM) Four Thai weavers training spent two weeks in Suai – very well received • The second stage (December 2004 – June 2005 – funders NZAID, CIDA, the British Embassy and DKA Austria) Participants were able to produce complex traditional patterns and adapted loom meant that wider and longer cloth was able to be produced – skills sustainable and better able to continue weaving production independently in their own communities without significant external assistance
Relationship with NZAID	Funded the second stage of the Thai weavers project from December 2004-June 2005 Experienced some delays with crisis in 2006 – needed to re-negotiate funding timeframe
Project Outline	<p>Timor Aid three-year three-phase programme to expand Timorese weaving to a wide reaching and commercially sustainable industry, the programme is focused on skill consolidation and product development training for four weaving groups in Oecussi, Same, Suai and Viqueque districts.</p> <ul style="list-style-type: none"> • The project was initially funded for the period December 2005 to October 2006 –implementation was disrupted over the period of the 2006 crisis – and was disbanded for three and a half months – therefore budget and timeframe re-alignment was requested • The project aimed to provide skills consolidation for 20 weavers and 4 male carpenters – this came after two previous training where weavers were taught to use the Thai upright looms to produce modern but uniquely East Timorese fabrics with an improved production method • The scheme is also underpinned by the assumption that skills transfer from Thai weavers would present minimal cultural challenge and social upheaval for a sustainable commercial East Timorese textile industry, while proving a culturally compatible model, as the main gap between the two countries is a technology gap. The Thai loom is not complex – with the exception of a few parts – most of it can be inexpensively made in East Timor with local resources, using raw materials readily available in East Timor rural districts
Development Process and Development Impact	<p>The overall objective of the long-term weaving programme is to assist in reducing poverty in rural East Timor in a sustainable manner through the promotion of weaving as an income generating activity</p> <ul style="list-style-type: none"> • 20 weavers in these four groups have been running their own small business as a result of the course and several have been selected to train new weaving groups. • Many have now bought their own looms • Additional training for this third (consolidation) phase was to provide small business management and proposal writing training

- Many in the group have received orders to make Tais, handbags and seledan from both local and international organisations
- Many save income generated through these new skills so the main indirect beneficiaries are the families of the training participants about 120 people who will benefit from the increase in income generation activities.
- This training is intended to prepare weavers for a future training period in Thailand



Thai Weavers Group in Covalima:

1. Exciting project with long term benefits
2. Weavers group (women) and two of their four carpenters (men) in front of Timor Aid offices in Covalima

APPENDIX 4: SCDF MANAGEMENT AND GOVERNANCE PROCESS

SCDF History

Civil society support in Timor Leste from NZAID has a longer history than the SCDF.

“Small grants were provided and managed from Jakarta while Timor Leste was under Indonesian administration...support to Timorese NGOs formed part of a broader Indonesian contestable fund”⁷⁸

SCDF was established in 1999 to respond to the widespread post-independence needs of the country.

2002-2004 Period

This first year of SCDF appears to have been a conservative one, with most of the grants (10) being received by the Australian and New Zealand Defence Forces, large NGOs (OXFAM and Moris Rasik) and government departments. There appears to be little difference between the HOMF and SCDF funds during this time, with the SCDF seemingly used as a larger HOMF.⁷⁹

The second year of SCDF saw an increase by 300% of grants disbursed; although only 28 were successful this is still nearly 3 times that of the previous year. 21 of the 49 proposals received were refused suggesting a tightening of the criteria. A greater variety of projects and proposers came forward.

This period provided a number of key lessons for SCDF as the management process was tested in the market, a number of projects were granted funds which highlighted some of the potential pitfalls for both NGOs and NZAID⁸⁰. Several examples include:

1. In 2002/3: An NGO used much of their grant budget for operational costs without informing NZAID.
2. In 2003/4: A water supply project was granted funds but the NGO had not undertaken sufficient community facilitation to ensure the community and funding expectations were matched and understood. It appears community members wanted to be paid a salary to implement the project.
3. In 2003/4: A grant was given for a capacity building programme to "Strengthen coffee farmers" for five sub districts. However, implementation of the project took place in only one district.

2004-present

⁷⁸ Comment NZAID staff member.

⁷⁹ The SCDF and the HOMF are both flexible funding mechanisms managed through the Embassy in Dili. Both look to have a development impact.

⁸⁰ These examples were provided by NZAID staff.

SCDF Mechanism Process

Staff managing SCDF	DPC –Development Programme Co-ordinator NM – NZAID Manager HOM – Head of Mission
Fielding Applicants	<ul style="list-style-type: none"> Organisations are informed at the beginning what the SCDF is able to fund and discussions take place with DPC about whether the project has merit or how to adapt it to be considered within the guidelines. Organisations are given the guidelines for proposals and informed that it may take up to 3 months to process the grants as they have to be thoroughly assessed. This usually includes a field visit. The SCDF Guidelines makes clear for potential applicants that the SCDF will support projects that will achieve any of the results noted. SCDF has a requirement for a progress and completion report to ensure financial acquittal. Organisations submit proposals to the New Zealand Embassy, where they are appraised by the DPC and NM
Proposal Development	<ul style="list-style-type: none"> DPC receives the proposals. These are discussed with the applicants to ensure that they are clearly written in accordance with the guidelines and the funding priorities. DPC often talks through guidelines with proposers and provides suggestions to help proposers re-draft their proposals
Proposal Assessment	<ul style="list-style-type: none"> DPC receives the proposals, reads and assesses the proposals⁸¹ If the proposal is considered incomplete, additional information is requested. This process may continue for many weeks. To ensure active applications are still being processed, DPC makes a file note every two weeks DPC makes reference checks with other donors⁸² If a field visit is required, this may be undertaken by the NM and/or HOM⁸³ The initial assessment is conducted by DPC, who drafts up a written assessment on a cover sheet attached to the file. In this she outlines relevant aspects of the proposal and makes recommendations Discussion with the NM and HOM regarding recommendations as to whether a site visit is required DPC attends all field visits, notes are made of the field visit and attached to the file
Funding Approval	<ul style="list-style-type: none"> Recommendations are made regarding approval or decline of proposal on a cover sheet which are then passed to the NM and HOM for sign-off The HOM has final approval If approved then an agreement letter is drafted. The recipients and the HOM need to sign before payment is arranged All the budget approval should be based on the original planning when submitting the proposal All projects need to be completed with three months as a condition of the grant. If there are any changes NZAID must be notified, in accordance with the guidelines.
Changes to proposal	<ul style="list-style-type: none"> If there are any changes recipients are expected to notify NZAID prior to making these changes, in accordance to the agreement letter. If the project monies are underspent recipients are expected to inform NZAID NZAID will consider some flexibility for the underspend. This must be

⁸¹ A formal assessment that rated specific criteria focused on format issues for the proposal was used in the past. The DPC found these cumbersome and could not provide suitable depth about the proposal – she now uses a single page noting all her comments

⁸² The donor community and those who offer small grants appear to work well informally and all those spoken to are accessible to each other for informal reference checks for NGOs.

⁸³ This is usually undertaken by one or the other position because the team is small. The current HOM has a strong interest in the SCDF and has a lot of experience in the area of small grants; she also speaks Bahasa Indonesia which can be an advantage for many in the community. Anecdotal evidence suggests that the community groups appreciate this capacity with donor international staff.

	<p>justified and requested formally</p> <ul style="list-style-type: none"> • Otherwise underspend must be returned to NZAID • Any changes in budget spend must be approved by NZAID in the first instance⁸⁴ • The database for recent years has included a breakdown of proposals ability to cover the cross-cutting areas under the heading 'Target Beneficiaries'. However the descriptions do not provide sufficient clarity to determine cross cutting issues are being met.
Mid-term Report	<ul style="list-style-type: none"> • A mid-term report is required • Some time is usually spent following up
Final Report	<ul style="list-style-type: none"> • All projects require a final report to be written • Some time is also spent following up⁸⁵ • Support is provided for the grantee to complete both these reports through a 'Tips of Project Report' form. These reports are required to have both a narrative and financial report component.

Notes to SCDF Process:

- Enquiries are answered continuously through the year. NGOs and other organisations spoken to took direct note of the guidelines and used them to inform whether the fund was useful to them.
- The SCDF has focused predominantly on water supply and school rehabilitation – these benefits are immediate⁸⁶
- NZAID has built up a historical presence in Timor Leste, particularly in Covalima, due to the NZ Army's previous presence in Covalima District, which is close to the Indonesian border⁸⁷
- Proposers have to demonstrate they have the capacity, skills and experience to deliver the projects proposed as well as good co-ordination at the grassroots
- Good problem analysis is sought in the proposals – even if it is written by someone else – the DPC can talk this through with proposers, to ensure they have an understanding of the issues
- SCDF does support international NGOs who can provide appropriate outreach and human resource support. Some of these are Dili based and the proposal is justified on perceived need
- Grantees are required to have achieved financial acquittal on a project funding before any further proposals will be considered
- As the SCDF budget is drawn down a regular update on the database is kept. This also ensures there is sufficient funding for further proposals.
- The budget drawdown for SCDF has changed over the years but reaches about US\$250,000 – US\$300,000 over the last three years.

⁸⁴ NZAID guidelines still apply even after money has been granted as to where the budget monies can be spent, e.g. no small capital purchases

⁸⁵ For both the mid-term and completion reports the NGOs understand that this is a contracted output and appreciate the time spent in following these up by NZAID. NGOs that deliver on time and maintain communication are reviewed in a positive light; alternatively those that don't are not.

⁸⁶ This was confirmed through the site visits to Maubara and Covalima during the Review

⁸⁷ Note funds in 2003-4 Battalion 6 of the NZ Army and Australian Army completed a number of school rehabilitation projects in the district

APPENDIX 5: SUMMARY OF FEEDBACK WORKSHOP

A vibrant discussion took place at the feedback workshop from which the issues raised by the evaluation team were thrashed out with participants. It was not intended to develop recommendations from the discussion but to elicit and reinforce commonalities and highlight some of the strategies other donors may have taken on board. The points raised are further explored in this section.

Design

- A number of constraints identified by the Review team that were raised within the SCDF Evaluation were noted by participants as being factors that were enhanced or mitigated by the design of the funding mechanism and its management capability.
- The strategies used by donors were informed by the size of their SGP envelope and their staff, e.g. USAID has a number of sector specialists who are able to provide in-depth analysis and support for the proposal design and development. For smaller donors like NZAID this capacity is not available.

Language

- Language can inadvertently become a constraint for NGOs.
- Not all donors are able to accept proposals in all of the three main languages used in Timor Leste - Portuguese, Bahasa Indonesia and Tetum.
- More donors are English speaking. Language should be regarded as a donor resource issue and is often dependent on the capabilities of the Timorese staff.
- Within Small Grants Programme mechanisms this could mean that NGOs can only use donors that accept proposals in certain languages.

Roles and Responsibilities

- This issue is not an easy one to separate when 'Timorese ownership' and 'capacity development' needs to be considered.
- Many donors noted their appreciation of a good idea that had development merits but was poorly designed or written.
- Many donors including NZAID took responsibility to support the proposal development process for NGOs and CSOs. This requires a significant time investment. This again relies heavily on the capacity of the Timorese staff many of whom have to work through the proposals with NGOs and CBOs.

Community Development Process

- Many NGOs and CBOs are not aware of the higher level goals of donors or the GoTL. Most are more concerned with meeting the needs of their communities of interest.
- For many communities the proposal provides an opportunity to access a much needed service which the GoTL is not able to provide e.g. water or sanitation projects, health or education services.

- This however needs to be aligned to the GoTL priorities and capacity. This should be undertaken in discussion with and with the knowledge of local government authorities and the relevant ministry. This is a stated requirement in the NZAID Guidelines.

Organisational Development Process

- It was noted by USAID that some CBOs are not interested in becoming NGOs, they just want the services or output.
- Many NGOs have developed their capabilities through 'learning by doing'. Irish Aid noted that their expectation was that NGO capability was strengthened after 2-3 projects.⁸⁸
- Some NGOs have grown and are able to access a diversity of funding streams – many however fall to the side.
- The main capacity issues raised by donors are in financial management, business planning and operations.

Donor Requirements

- Each donor has identified key thematic areas for their funding focus. This is stated in their respective guidelines.
- NGOs however do not always understand why donors appear to change their focus or requirements, change guidelines or have different ways of working.
- Donor focus in specific areas or funding for specific outcomes/activities determine the behaviour of NGOs and CBOs.
- Donors all require some flexibility with their funding mechanisms in order to respond to emerging issues of national importance – even if it falls outside of their specific guidelines.

Sector Realities

- There is some fragmentation in the NGO sector. The degree to which this is real or perceived, or whether there are pockets of fragmentation is unclear as NGOs rise and fall for many reasons not just donor funding.
- NGOs also are not always updated on the changes in donor emphasis or guidelines in particular local NGOs and CBOs.
- This does highlight the need for more donor co-ordination and possible co-operation to refer proposals to other donors who may be of more assistance.

⁸⁸ Comment from Irish Aid staff member.

APPENDIX 6: ACCESS TO CAPACITY DEVELOPMENT SUPPORT

A number of small grants programmes that have or intend to have a capacity development component were included in the Review and summarised here. All share a common awareness of the capacity constraints of civil society and have developed different responses to it.

Supporting Civil Society Organisations in Promoting Citizen Participation Project (UNDP)

Historically Timor Leste CSOs were involved in resistance activities and the transition from this to service delivery has been difficult for many. In the past CSOs have been given little support and therefore been unable to meet defined donor deliverables because of unrealistic expectations. The rationale for this project is to support CSOs to define their own goals (in practice the goals are usually a compromise between the donor and CSOs) while helping them to build their capacity to meet those goals. Ultimately CSOs need to be running on their own without international support capacity development – this is the key to long term sustainability of the CSO sector⁸⁹.

This programme funds the promotion of citizen participation. This programme has partnered with a number of membership organisations – Rede Feto (Women’s Network), National Youth Council, East Timor Student Solidarity Campaign, the NGO Forum and UNV. The project objective is “to increase the capacity in order to strengthen and widen the principles of democracy and good governance, enhance participation and contribute to political stabilization nationwide.”

Community assessments were undertaken at the beginning of the project in all 13 districts. Submission of proposals for activities were then called for and assessed by a working group representing the ‘partner’ organisations. A conditionality of the funding is linked to the capacity building component which looks to alleviate some of the capacity constraints of NGOs including financial management and proposal writing skills.

USAID/DAI⁹⁰ - DAI alleviates some of the financial capacity issues of organisations funded through USAID, as DAI provides the financial management and supplies procurement of any grant.⁹¹

The contract held by DAI is to expire in September 2008. To ensure a constructive transition out of the market USAID has tendered for a number of resource organisations that will be able to support the key thematic areas it supports – health, entrepreneurship and business success and democratic governance.⁹² It is intended that having these resource organisations available to the GoTL and civil society should prove useful for Timor Leste.

NGO Forum – the purpose of this umbrella organisation⁹³ is to provide capacity building for members and to advocate on issues that are relevant to the membership⁹⁴. The aim of the NGO Forum is to be responsive to emerging needs and to be a constructive bridge between their members, the GoTL and donors. Most of the capacity development is in the financial management and proposal writing

⁸⁹ Interview with the Project Manager

⁹⁰ DAI – Development Alternatives Incorporated is contracted by USAID to manage its small grants funds in Timor Leste.

⁹¹ USAID can only provide cash grants to an organisation that has passed a US Audit

⁹² At the time of the Review these organisations had not been contracted

⁹³ The NGO has nearly 500 members, both national and international NGOs

⁹⁴ This includes the International Tribunal, issues around access to resources in the Timor Sea and land disputes. After the 2006 crisis emphasis moved towards reconstruction – peace building, conflict resolution and civic education around the 2007 election process

(currently funded by UNDP). The NGO Forum did note that their training does not reach all NGOs and they also have experienced a lack of funding and resources which has hampered their effectiveness.

AusAID – intends to restructure its small grants programme around the capacity constraints in Timorese society through a long-term civil society strengthening programme building capacity at the institutional and sector levels. The intention of the programme is to constructively work towards alleviating the frustration Timorese CSO leaders have voiced to ensure stronger substantive partnership roles in programme design and delivery alongside Australian NGOs.

BELUN – A National NGO established in 2004 to support civil society and reduce underlying tensions that may lead to violent conflict. BELUN is funded to provide conflict assessments and conflict resolution activities and has research capabilities. It also offers a structured capacity development building programme to 20 of its members.

Small Grants Donors Network (SGDN) – this is regarded by many of the donors interviewed to be an effective means of sharing information – beyond this is the informal referee checking between donors of proposal applicants. The network (with the support of BELUN who provides the resources for the role of a secretariat) has also published a handbook of small grants (currently out of print). There are regular meetings and the expectation is that the mechanism is used for the sharing of learnings between the donors on small grants and to provide information to NGOs about their different requirements.

APPENDIX 7: TERMS OF REFERENCE

TIMOR-LESTE REVIEW OF SOCIAL AND COMMUNITY DEVELOPMENT FUND

1 Background

Timor-Leste has made significant gains in social and political development since achieving full independence in 2002. However, an uncertain political and security situation, widespread poverty and a stagnant economy, and a range of social problems continue to present significant challenges. In 2006 the state came close to collapse and over 15% of the nation's population was internally displaced amidst politically-oriented violence and widespread breakdown of law and order. Elections in 2007 were generally free and fair and led to the peaceful formation of a new government, but a high level of political distrust remains. After more than a year, more than 30,000 Timorese are still living in camps. Unresolved atrocities and grievances from 2006 have now been added to (in many cases amplifying and building on) those of 1999, the 1975-1999 Indonesian occupation and the 1975 civil war. The potential for further significant violence is real and is unlikely to diminish for a number of years.

Timor-Leste is the poorest country in Asia, with approximately 40% of people living with incomes of less than 55c per person per day. 80% of the population is dependent on agriculture, forestry and fisheries for their livelihoods, and poverty is especially widespread and severe in rural areas. High population growth and a consequently young population, a lack of basic infrastructure, and a stagnant economy, combined with a system of government that is still in formation, and weak capacity, present severe challenges for Timor-Leste's development.

Timorese civil society organizations (CSO) (including non government organisations (NGOs), community based organisations (CBO) and faith-based organisations) have played an important part in Timor-Leste's development both before and since independence, although their roles have altered substantially over this time. Previous to the 1999 referendum, local NGOs were primarily involved in human rights monitoring, humanitarian assistance, and rural development work. After the ballot, NGOs undertook relief and reconstruction work as well as community development and work with vulnerable groups. NGOs also fulfilled an important lobbying role with the UN Transitional Administration. Donor funding for NGOs, abundant in the transitional period, diminished post-independence as the focus switched to building the capacity of the new government, although the number of NGOs has continued to increase.⁹⁵ Civil unrest in 2006 and 2007 has seen many NGOs shift the focus of their activities to assisting internally displaced people and placing a greater emphasis on conflict resolution and peace building activities. Approximately 500 local NGOs and CBOs are currently registered with the Timor-Leste NGO Forum (FONGTIL).

The Social and Community Development Fund (SCDF) is a contestable small project fund administered by the New Zealand Embassy in Dili. It was set up in 1999 as a flexible mechanism to respond to widespread post-independence needs, in line with the agreed focus on community development as a key sector for New Zealand's development assistance. Grants of up to US\$25,000 have been provided to local NGOs, CBOs and, in a few instances, government departments, for social and community

⁹⁵ Hunt, Janet (2006) *Capacity Development of Local NGOs in Timor-Leste 1999-2005*, background briefing paper for INTRAC Conference on Civil Society and Capacity Building.

development efforts focusing on poverty alleviation, sustainable development, and social development for disadvantaged communities, gender and participation issues. Organisations submit proposals to the New Zealand Embassy, where they are appraised by the Development Programme Coordinator (DPC) and the NZAID Manager. Annual allocations for the SCDF have ranged from NZ\$100,000 to NZ\$650,000. Total expenditure from July 2002 to June 2007 was NZ\$2,450,000.

The SCDF has provided funding for 94 projects since 2002. Funding has typically been provided for the rehabilitation or construction of school buildings and of water and sanitation works, and for small income generation projects and capacity building. The SCDF had an initial geographic focus on Covalima District and Atauro Island, but projects from across Timor-Leste have been funded, particularly since 2004, as the reasons for NZAID's programme focus in these areas became less compelling.

2 Purpose of the review

The SCDF has not been reviewed since its establishment in 2002. Since that time, many changes have taken place in Timor-Leste. The Timor-Leste Government has developed a National Development Plan (NDP) and sectoral plans, and gained capacity and experience in government and public administration. The government formed in August 2007 has developed a work programme, and plans to update the NDP. The government's work programme recognises the importance of the role of NGOs, and proposes the establishment of cooperation partnerships, the creation of conditions for institutional reinforcement of CSOs, and the establishment of permanent dialogue and consultation mechanisms. CSOs have also modified their activities and roles to work alongside the government and development partners.

NZAID agreed a Bilateral Strategic Framework with the Government of Timor-Leste in 2003. Although it was intended the framework would be reviewed in mid-2005, this review is beginning only now. The review of the SCDF will form a part of NZAID's review of its official development assistance to Timor-Leste over the past five years, and will feed into the subsequent development of a new country programme strategy.

The purpose of this review is to assist NZAID to determine the effectiveness, efficiency and relevance of the SCDF, and the effectiveness of the projects it has funded, and in light of these findings to make recommendations for any improvements to ensure New Zealand's support for Timorese CSOs aligns with Timor-Leste and NZAID policy priorities and good practice. Of particular relevance to this review are NZAID's Asia Strategy, which determines that NZAID's focus in Southeast Asia is on sustainable rural livelihoods, the Agency's emphasis on focusing its aid strategically through fewer, deeper and longer engagements, and the post-conflict context in Timor-Leste. Recommendations may include improvements to the SCDF or alternative approaches.

NZAID intends to share the review with the Government of Timor-Leste, Timorese and New Zealand CSOs, to broaden understanding of the situation of Timor-Leste CSOs and contribute to ensuring support provided is appropriate.

3 Scope

The review will cover the operations of the SCDF from July 2002 through to June 2007. A small number of projects funded through SCDF will be selected for in-depth analysis, as outlined in the suggested methodology.

4 Objectives

The Objectives of the review are to:

- 1 Assess the efficiency and effectiveness of the SCDF in achieving its objectives of addressing poverty alleviation, promoting sustainable development and social development for disadvantaged communities, promoting gender equity and participation.
- 2 Assess the governance and management of the SCDF in terms of the extent to which these have a) adequately managed risk and b) contributed to the effectiveness and efficiency of the SCDF in achieving its objectives, including through effective monitoring and evaluation.
- 3 Analyse and describe the operating environment and trends relating to Timorese civil society and CSOs, including the roles played by CSOs in development policy and implementation, capacity and organisational development issues, and the types and accessibility of support.
- 4 Recommend appropriate mechanisms or modifications for future NZAID support for the development of Timorese civil society and CSOs, and effective development interventions on their part, with special attention to the post-conflict context.

5 Key Review Questions

Has the SCDF provided an effective mechanism for achieving its stated objectives?

Have SCDF design and procedures, including the size of typical grants, been appropriate to the fund's objectives and context?

Has the SCDF been governed and managed transparently, consistently, and efficiently?

To what extent have monitoring, evaluation and reporting by CSO partners and NZAID provided adequate risk management and accountability?

What tensions, if any, have there been between SCDF processes and those of CSO partners' processes and operations?

What outcomes have been achieved by the projects funded through the SCDF (including any differences in outcomes for women, men and youth)? To what extent are these outcomes sustainable?

To what extent has the SCDF provided opportunities for effective capacity building for CSO partners and/or local communities? What effect has this had on the quality of their activities?

To what extent has the SCDF addressed the needs and priorities of target groups, and aligned with partners' role, needs and priorities?

What other donor support is currently available to Timorese CSOs and how relevant is it to their role, needs and priorities, and those of the communities with which they work?

What changes, if any, could be made to improve the SCDF's relevance, effectiveness and efficiency as a mechanism for supporting the development of Timorese civil society and CSOs and effective development interventions on their part, in line with NZAID's and Timor-Leste's development policies, strategies and priorities?

6 Suggested Review Process

Carry out a desk review of the SCDF and provide an analysis of the types of projects and organisations funded, locality of projects, and alignment with SCDF Guidelines. Analyse trends and instances of repeat funding.

Conduct a desk-based audit of a representative sample of projects focusing on the adequacy of appraisal and approval processes, financial acquittals and reporting. Based on project reports, comment on whether, and to what extent, the stated development objectives were met.

Review relevant literature on Timorese civil society/government relations and CSOs, and relevant GoTL and NZAID policies, strategies and priorities.

Identify and consult with stakeholders including NZAID staff, HOM, CSO partners, representatives of the Government of Timor-Leste, representatives of the Small Grant Donor Network (SGDN), the Timor-Leste NGO Forum (FONGTIL), AusAID, CIDA, USAID and Irish AID.

Based on the desk study findings, select a sample of projects (a minimum of three, including at least one implemented in a remote area, one relatively small and one relatively large project, one project regarded as successful and one regarded as less successful) and undertake field visits to the organisations and communities involved to assess the development impact, and efficiency of transactions with NZAID. In the case of projects with training and capacity building components, determine the ongoing benefit of such training. Selection of projects to be agreed with NZAID.

Assess the current SCDF Guidelines and recommend any changes needed to improve its relevance, effectiveness, and efficiency.

The review team should propose a detailed methodology to NZAID that appropriately addresses the review questions (see Annex 1: Evaluation Quality Standards).

7 Outputs

A review methodology and implementation plan.

Debriefing with NZAID Manager on completion of the review process.

A draft review report (max. 20p plus appendices), consistent with the annexed guideline on the structure of review and evaluation reports (Annex 2).

Presentation of the preliminary review findings and recommendations to NZAID and Timor-Leste stakeholders.

Final report incorporating feedback from stakeholders (max. 20p plus appendices).

If necessary, sensitive material may be provided in a confidential annex to the main report.

8 Time frame

The duration of the review process is expected to be around 25 working days in total. Proposed time for undertaking the review will be October-November 2007.

An indicative review process is as follows:

- Preparation and planning
- Desk study
- Fieldwork – consultations & travel
- Presentation of findings
- Drafting and finalising report

It is proposed that fieldwork in Timor-Leste take place between 22 October and 9 November 2007.

Review methodology and implementation plan to be discussed with NZAID on 23 October 2007.

First draft report to be available for comments by NZAID and stakeholders by 19 November 2007.

Final report to NZAID and stakeholders by 10 December 2007.

9 Competencies required

A two person consultancy team consisting of one international consultant and one local consultant is envisaged to ensure the following competencies are present:

- A broad knowledge and understanding of development issues and of NZAID's guiding principles
- Understanding of civil society in developing countries, and civil society-government relationships.
- Review/evaluation skills and experience
- An understanding of, and commitment to, gender and conflict prevention/resolution, and an ability to integrate these into the study's methodology, analysis and reporting.
- Demonstrated knowledge and understanding of the social, cultural and political context in Timor Leste. Preferably knowledge of isolated areas or districts of Timor Leste
- Well-developed communication and presentation skills, including in cross-cultural settings
- Well developed report writing skills
- A relevant post-graduate qualification preferred
- Tetum, Portuguese or Indonesian language skills would be advantageous

10 Team Responsibilities

Both team members are expected to work collaboratively to complete this assignment, with the following specific responsibilities:

Team Leader

- Team management:
- Quality/timeliness of output
- Oversight of methodology/tasking across team
- Preparation of the final report

Team Member

- Contributing to all tasks including arranging review programme and report drafting
- Local input to contextual analysis of SCDF grant recipient organisations including formal/informal government/non government linkages
- Leading discussions with SCDF grant recipients and project participants and beneficiaries
- NZAID's Development Programme Coordinator in Dili will be available to provide advice and logistical assistance, as necessary, to the evaluation team.

APPENDIX 8: METHODOLOGY AND IMPLEMENTATION PLAN

PROJECT OUTLINE

The purpose of this review is to assist NZAID to determine the effectiveness, efficiency and relevance of the SCDF, and the effectiveness of the projects it has funded, and in light of these findings to make recommendations for any improvements to ensure New Zealand's support for Timorese CSOs aligns with Timor-Leste and NZAID policy priorities and good practice. The review will cover the operations of the SCDF from July 2002 through to June 2007.

OBJECTIVES AND METHODOLOGY

Objectives	Data Source	Evaluation Tools	Output	Key Questions as per ToR
Objective: 1 - Assess the efficiency and effectiveness of the SCDF in achieving its objectives of addressing poverty alleviation, promoting sustainable development and social development for disadvantaged communities, promoting gender equity and participation.	Document review SCDF files Key informant interviews	<i>SCDF grant assessment</i> <i>Interview schedule</i> ⁹⁶	<i>Assessment framework on excel spreadsheet</i> <i>Interview notes</i>	<ul style="list-style-type: none"> Has the SCDF provided an effective mechanism for achieving its stated objectives? Have SCDF design and procedures, including the size of typical grants, been appropriate to the fund's objectives and context?
Objective: 2 - Assess the governance and management of the SCDF in terms of the extent to which these have a) adequately managed risk and b) contributed to the effectiveness and efficiency of the SCDF in achieving its objectives, including through effective monitoring and evaluation.	Document review SCDF files Key informant interviews	<i>Interview schedule</i> <i>SCDF past and current assessment tools and criteria</i>	<i>Interview notes</i> <i>Process flowchart for SCDF (if not available)</i>	<p>Has the SCDF been governed and managed transparently, consistently, and efficiently?</p> <p>To what extent have monitoring, evaluation and reporting by CSO partners and NZAID provided adequate risk management and accountability?</p> <p>What tensions, if any, have there been between SCDF processes and those of CSO partners' processes and operations?</p>
Objective: 3 - Analyse and describe the operating environment and trends relating to Timorese civil society and CSOs, including the roles played by CSOs in development policy	Document review SCDF files Key informant interviews Feedback	<i>GoTL, NGO, and other donor reports (where available)</i> <i>Feedback workshop responses</i>	<i>Environmental analysis</i>	What outcomes have been achieved by the projects funded through the SCDF (including any differences in outcomes for women, men and youth)? To what extent are these outcomes

⁹⁶ Refer Interview Schedule

and implementation, capacity and organisational development issues, and the types and accessibility of support.	workshop			<p>sustainable?</p> <p>To what extent has the SCDF provided opportunities for effective capacity building for CSO partners and/or local communities? What effect has this had on the quality of their activities?</p> <p>To what extent has the SCDF addressed the needs and priorities of target groups, and aligned with partners' role, needs and priorities?</p> <p>What other donor support is currently available to Timorese CSOs, and how relevant is it to their role, needs and priorities, and those of the communities with which they work?</p>
Objective: 4 - Recommend appropriate mechanisms or modifications for future NZAID support for the development of Timorese civil society and CSOs, and effective development interventions on their part, with special attention to the post-conflict context.	Feedback workshop	<p><i>Outputs developed for Objective 1-3</i></p> <p><i>Feedback workshop responses</i></p>	<i>Draft report</i>	What changes, if any, could be made to improve the SCDF's relevance, effectiveness and efficiency as a mechanism for supporting the development of Timorese civil society and CSOs and effective development interventions on their part, in line with NZAID's and Timor-Leste's development policies, strategies and priorities?

ISSUES NOTED TO BE WITHIN EVALUATION PLAN DEVELOPMENT

The Feedback Workshop is a key component of the proposed process. The deliberations of the workshop will be designed to reflect on the evidence collected during the evaluation from the SCDF and will be used to provide both a feedback (transparency of process) and peer review (ensuring robust scrutiny) role.

Key informant interviewees will be invited to be hear the initial findings from the evaluation team and provided with an opportunity to give feedback. The intention is to further contextualise the key issues which can be considered within the wider country context and seek to look for further recommendations to increase responsiveness of the fund in order to increase impact for the intended community of interest.

The process for the Workshop will be discussed with the Post NZAID Manager and the Ambassador, the parameters agreed upon to ensure an adequate representation of New Zealand's perspective is included.

REVIEW WORK PROGRAM

HOM – Head of Mission, NZAID Manager – NM, DPC –Development Programme Co-ordinator, TM – Team Member, TL - Team Leader				
Date	Tasks/Meetings	Meetings/Site Visits	Location	Responsibilities
22/10	TL arrives TL508 arrives 4.15pm			
23/10	Post Briefing Evaluation Team Briefing and confirm evaluation plan Interview Grant Administration and NZAID Manager	NZAID	DILI	NM, TL, TM, PDC
24/10	Interviews with Donors, Initial Desk Assessment of SCDF cont (Identify most of site visits) Confirm evaluation program	NZAID	DILI	TL, TM, PDC
25/10	Site Visit to Maubara	NZAID	DILI	TL, TM
26/10	Key Informants Interviews with DAI and USAID and NZ Ambassador	KI Interviews	DILI	TL, TM
27/10	Write up Day: all interviews, complete Initial Desk Assessment Analysis (DILI)			
28/10	Write up Day: all interviews, complete Initial Desk Assessment Analysis (DILI)			
29/10	Key Informants Interviews – all day x 4	KI Interviews	DILI	TL, TM
30/10	Site visit	KI Interviews	DILI	TL, TM
31/10	Interviews	KI Interviews or Site Visit	OUT OF DILI	TL, TM
1/11 – 4/11	Write-up Day: NGO files (DILI) Note 3/11 and 4/11 Public Holiday			
5/11	Interviews	KI Interviews	DILI	TL, TM
6/11	Interviews	KI Interviews	DILI	TL, TM
6/11	Interviews	KI Interviews	DILI	TL, TM
7/11	Key Informants Interviews – HUI Preparation	TM, TL, NZAID staff	DILI	TL, TM, NM, PDC and HoM
8/11	Review Team Meeting –Hui preparation meeting; check venue Feedback Hui @ Review Team Meeting – Post Hui meeting	All Key Informants, Observers, TM, TL, NZAID staff	DILI	TL, TM, NM, PDC
9/11	Final Debrief with NZAID TL Review Team Meeting – Wrap up meeting	TM, TL, NZAID staff	DILI	TL, TM and NZAID Manager
10/11	Saturday 10/11 TL leaves TL501 9am			

APPENDIX 9: LIST OF DATA SOURCES

- ACFID, August 2007, *Proposal to strengthen civil society in Timor Leste: Concept Paper*
- Catholic Relief Services, 2005, Final Project Evaluation April 4 – May 12 2006, Engaging Civil Society Project, USAID funded Project Co-operative Agreement
- Cram, Fiona (2004), *Building the capacity of Maori and Iwi Social Services Providers – A Review of literature: Appendix to the Iwi and Maori Provider Workforce Development Fund Evaluation*, prepared for the Centre for Social Research and Evaluation, Wellington, New Zealand
- Engel, Rebecca, E. (2007), *The building of Timor Leste: International Contributions to a Fragile State*, written with support from the Ford Foundation, Centre for International Conflict Resolution (CICR), School of International and Public Affairs, Columbia University and BELUN
- Hunt, Jane (2006) *Capacity Development of Local NGOs in Timor Leste 1999-2005*, background briefing paper for INTRAC Conference on Civil Society and Capacity Building
- Irish Aid Country Strategy Paper 2006-2008; www.irishaid.gov.ie/timor_lest
- Moris Rasik, July 2006, *Strategic Plan for Recovery and Growth of Moris Rasik*
- Nagao, Masafumi, 2006, 'Challenging times for evaluation of international assistance', Evaluation Journal of Australasia, No 2, 2006
- NZAID, *NZAID's Assistance to the Asia Region*, April 2007, www.nzaid.govt.nz
- NZAID, SCDF Guidelines, Files and Database
- NZAID, September 2004, *Asia Strategy*,
- NZAID, Timor-Leste snapshot www.nzaid.govt.nz/programmes/c-timor-lest.html
- OECD, *Principles for Good International Engagement in Fragile States and Situations*. www.oecd/fragilestates
- OXFAM, *Progress Report to Oxfam New Zealand Social, Economic and Political Participation, Covalima District, Timor Leste, Six Months: 1st July 2003 to 31st December 2005*
- Paris Declaration: Statement of Resolve, the result of a High Level Forum held in Paris 28 February – 2 March, 2005, *The Paris Declaration on Aid Effectiveness: Ownership, Harmonisation, Alignment, Results and Mutual Accountability*
- Presidency of the Minister's Office : IV Constitutional Government Program 2007 - 2012
- UN, www.un.org/millenniumgoals
- United Nations Conference on Trade and Development, 2007, *The Least Developed Countries Report 2007: Overview by the Secretary General of UNCTAD*

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- UNDP, 2006, *The Path out of Poverty: Integrated Rural Development, Timor-Leste Human Development Report*
 - UNDP, *Timor-Leste Human Development Report 2006*
 - USAID, *USAID Strategic Plan for East Timor: A new nation moving forward 2005-2009*
 - USAID, 2006, *The Crisis in Timor-Leste: Causes, Consequences and Options for Conflict Management and Mitigation*
 - USAID, 2005, *Engaging Civil Society Project: Final Project Evaluation April 4 – May 12, 2005: Timor Leste (East Timor)*

APPENDIX 10: LIST OF PEOPLE INTERVIEWED

In Timor Leste - *(Attended Feedback Workshop)

New Zealand Embassy Timor Leste

Chris Day*	NZAID Manager
Umbelina Belo*	Development Programme Co-ordinator, NZAID
Ruth Nuttall	New Zealand Ambassador

NZAID Wellington

Anna Mosley	Programme Manager, Indonesia and Timor Leste
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Australian Embassy - AUSAID

Donna Nicholson	First Secretary (Development Cooperation)
Pedro Aquino	Program Officer (Development Cooperation)

Irish Embassy

David Ormond*	Deputy Head of Mission
Fernando Mendoca*	Projects and Administration Officer

USAID

Kate Heuisler	Chief of Party, Development Alternatives Inc
Cristina Freitas	Program Development Specialist
Nicole Seibel*	Program Manager, Democracy and Governance Program, USAID

UNDP - Supporting Civil Society Organisations in promoting Citizen Participation

Simon Poplewell*	Project Manager
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CIDA

Domingas Soares	Co-ordinator for Canada Fund for Local Initiatives
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SCDF Grantees

Marchal Netto	Naroman Timor Foun
Ensi Letto	Naroman Timor Foun
Joaquim Santos	Orientador, Centra de Formação em Relações Publicas
Sierra James	Capacity Development, Program Manager, Ba Futuru
Estanislao Saldanha	Director, Dili Institute of Technology
Claudino Magno	General Manager, Moris Rasik
Silverio Pinto	Community Development Timor Leste
Cipriano	Hametin Lia Tatoli
Gabriela Samson	Roman Luan
Sister Aurora Pires	Canossa Pre-Primary School, Dili
Albino Amaral*	Director, TimorAID
Hose Sabino	TimorAID
Julio Amaral	TimorAID
Casimiro dos Santos*	Deputy Director, Judicial System Monitoring Programme
Jose Moniz*	Unit Co-ordinator, Judicial System Monitoring Programme
Flavia Henrioves	Administration Officer, Judicial System Monitoring Programme
Keryn Clark	Country Manager, OXFAM Australia
Hermenegildo Amaral*	Government Information Office

Government Officials

Joaquim Fonseca Advisor for Capacity Building at Prime Ministers Office
Arlindo da Cruz Monteiro Bilateral Officer, Ministry of Planning and Finance
Halumi (Harumi) Kobayashi Aid Co-ordination Advisor

Other NGO Interviews

Rebecca Engels* Advisor, BELUN
Angelina Sarmiento Director, NGO Forum

BELUN Observers at Feedback Workshop

Callaghan Kennedy
Fernando da Costa
Miguel M Soares