



<b>1. CPS Data</b>	
<b>Country: Timor-Leste</b>	
<b>CPS Year:</b> FY13	<b>CPS Period:</b> FY13 – FY18
<b>CLR Period:</b> FY13-FY19	<b>Date of this review:</b> November 13, 2019

<b>2. Ratings</b>		
	<b>CLR Rating</b>	<b>IEG Rating</b>
<b>Development Outcome:</b>	<i>Moderately Satisfactory</i>	<i>Moderately Satisfactory</i>
<b>WBG Performance:</b>	<i>Good</i>	<i>Fair</i>

**3. Executive Summary**

- i. This review of the Timor-Leste’s Completion and Learning Review (CLR) of the World Bank Group’s (WBG) Country Partnership Strategy (CPS) covers the original CPS period (FY13-FY17), and the Performance and Learning Review (PLR) of 2016. The PLR extended the original CPS period by one year to FY18 in order to synchronize the CPS strategy with the country’s political cycle.
- ii. Timor-Leste is a lower middle-income country, with an oil dependent economy. With oil reserves running low, the key challenges facing Timor-Leste are to achieve greater economic diversification and diminish reliance on public sector spending. At the beginning of the CPS period, the political environment was stable and oil prices high. The country was affected by a significant fall in oil prices that started in 2013, and political uncertainty adversely affected economic activity in 2017 and for most of 2018, as public expenditures fell by over one third. On the whole, growth was modest compared to East-Asia Pacific region peers, reflecting both the fall in oil prices and the political uncertainty towards the end of the program period.
- iii. The CPS was congruent with the Government’s 2011-30 Strategic Development Plan. The Bank Group-supported program had four engagement areas (or focus areas): (i) improving the management and delivery of services in education, health and nutrition, and social protection, (ii) building core infrastructure to connect communities to markets, (iii) supporting economic development for a non-oil economy and (iv) a cross cutting theme of strengthening institutions for quality of spending and inclusive service delivery. These focus areas addressed key development challenges, including improving service delivery and sustaining economic growth. At the PLR stage, several adjustments were introduced including dropping the cross-cutting theme and associated objectives and indicators.
- iv. The pre-existing portfolio amounted to \$46 million, covering projects in education, transport, social development, health, education and governance. During the CPS period, new lending commitments amounted to \$75.2 million, comprising two Additional Financing for the Road Climate Resilience Project. Four trust-funded activities for \$27.1 million complemented the road resilience project and other sectors not covered by IDA/IBRD lending, including agriculture and nutrition.

<b>CLR Reviewed by:</b>	<b>Peer Reviewed by:</b>	<b>CLR Review Coordinator</b>
<b>Juan José Fernández-Ansola</b> IEGEC Consultant	<b>Nils Fostvedt,</b> IEGEC Consultant	<b>Jeff Chelsky</b> Manager, IEGEC
<b>Takatoshi Kamezawa</b> Senior Evaluation Officer, IEGEC		<b>Lourdes Pagaran</b> CLRR Coordinator, IEGEC



v. IEG rates the CPS development outcome as **Moderately Satisfactory**. Road conditions improved in the Dili-Ainaro road corridor. Collaboration between the World Bank and IFC contributed to attracting private investment in seaport infrastructure. Business registration was streamlined and the amount of time for trade transactions was reduced significantly with support from an IFC AS project. The World Bank supported the activities under the equivalency program in education, including staffing and establishing Community Learning Centers; but there is no available evidence indicating that the quality of the equivalency program has improved in terms of the number of learners completing the program. The nutrition of mothers of children under 2 years of age in the targeted poorest communities, as measured by an increase in consumption of iron-rich foods, was achieved. However, there was no progress in the proportion of children 0-6 months old who are exclusively breastfed. The Bank provided advice on ICT reform together with other donors that facilitated the approval of an ICT policy. In all, the program showed uneven results, with a number of achievements but some objectives and indicators not well supported by interventions, or overly broad objectives with project-level indicators and indicators not measuring the intended outcomes.

vi. On balance, IEG rates WBG performance as **Fair**. The original program's ambition was not matched by similarly ambitious interventions. Program results relied on a limited portfolio, and the broad scope of the ASA program did not take into account the absorptive and implementation capacity of the client. There were areas of the original program—health, social protection, airport infrastructure, land, cross-cutting area of institution building—where the program intended to achieve results with little engagement. At PLR stage, the WBG-supported program was adjusted, improving the links from WBG interventions to program outcomes. On the whole, however, the changes were insufficient to correct the original program's weak design. Portfolio performance at exit was poor and the active portfolio showed mixed results. IEG's review of closed projects during the CPS period noted design shortcomings as too ambitious, unfocused, broad, and complex, and indicated that the design did not take fully into account limited local capacity. Both IEG's previous CLR review and Country Program Evaluation (2010) had raised the need to reduce the complexity of program and project design, but these lessons were not reflected in the design of this CPS. Other donors supported the program either through a multi-donor fund or through parallel financing. IFC complemented the work of IDA/IBRD through parallel work in infrastructure and economic development. However, the CLR noted conflicting advice on the Tibar Bay Port PPP. No Inspection Panel case was recorded during the CPS period. INT substantiated fraud by a firm that won a consultancy contract financed under a project in the roads sector.

vii. IEG agrees with the CLR lessons: (i) a more realistic CPS program scope at the outset of the program would have been more appropriate to deliver results; (ii) given slow rate of skill absorption among local and permanent employees, it is critical for sustainability to adopt slower pace of project implementation to allow strengthening of government institutional capacity; and (iii) clarifying the objectives, establishing clear protocols and escalation mechanisms upfront would help minimize the challenge for IFC and World Bank to work together as a WBG team.

viii. IEG adds the following lessons:

- Program selectivity matters, especially in a weak capacity environment. In Timor-Leste, lack of selectivity led to an ambitious program that proved too demanding for an FCS country with a constrained administrative capacity and modest experience in implementing WBG-supported programs. In the end, the program could not deliver results as designed. In addition, lack of selectivity in the ASA program tested the limited absorptive capacity of the client country and did not advance local capacity. A more selective program that takes into account client capacity and provides implementation support is essential to achieve sustainable results.
- A key lesson from this review, which is in line with CLR lessons, is the need to align program ambition with both WBG interventions and institutional capacity. Not heeding this lesson in Timor-Leste led to a program that could not deliver expected results in a number of objectives.
- Simplicity in the results framework maximizes the development effectiveness of WBG assistance. In Timor-Leste, the results framework had too many objectives with limited

interventions, and the link of some indicators to supporting interventions was not well established.

#### 4. Strategic Focus

##### Relevance of the WBG Strategy:

1. **Congruence with Country Context and Country Program.** Timor-Leste is a Fragile and Conflict-Affected State (FCS) since 2006 that became independent in May 2002. It is a lower middle-income country with a GNI per capita of \$2,694 (average 2013-17) in current dollars. Its institutional development is not commensurate to its level of income, and capacity to implement policies is quite limited. In many government institutions, foreign consultants have the unusual role of day-to-day policy implementation and administration. Annual GDP growth (non-oil GDP) averaged about 2½ percent during 2013-17, which is lower than East-Asia Pacific region as a whole. Political conditions remained stable until the July 2017 presidential elections. Towards the end of the CPS period (i.e., in 2017 and for most of 2018), political uncertainty due to the absence of a clear winner in the elections led to cuts by over one third in public spending that adversely affected Timor-Leste's economic activity. The political stalemate was resolved with new elections in May 2018.
2. Timor-Leste's economy is oil-dependent. Until 2013 high oil prices were providing resources to fund public spending almost entirely from resources accumulated in the Petroleum Fund. Then oil prices fell by over 40 percent for the remainder of the program period. Against this background and with oil reserves running low, Timor-Leste faced three key challenges, to: (i) diversify its economy and have sustainable public finances, (iii) develop its institutions and capacity for policy implementation, and (c) foster the development of human capital.
3. The original Bank Group supported program had four focus areas: (i) improving the management and delivery of services in education, health and nutrition, and social protection, (ii) building core infrastructure to connect communities to markets, (iii) supporting economic development for the non-oil economy, and (iv) a cross-cutting area on strengthening institutions for quality of spending and inclusive service delivery. The focus areas addressed key challenges for the country and reflected focus areas of the Government's 2011-30 Strategic Development Plan, particularly on investing in human capital, funding catalytic infrastructure, sustaining growth, and fostering institutional effectiveness. At the PLR stage, the focus areas were reduced to three to align with the changed environment, and implementation challenges, reflecting complex project design, delayed project effectiveness, and lack of implementation capacity.
4. **Relevance of Design.** The program's ambition was not matched by the limited WBG interventions, given weak institutional capacity and the fragility of the country. The original CPS had 4 focus areas and 14 objectives, while the number of WBG interventions was quite small, and program results relied on the inherited portfolio of seven operations, and on other trust-funded operations that were fragmented. There were areas of the original program—health, social protection, airport infrastructure, land, cross-cutting area of institution building—where the program intended to achieve results with little engagement. During the CPS, new lending was even more limited in the form of two additional financing operations for the Road Climate Resilience Project, augmented by four trust-funded operations. IFC complemented the work of IDA/IBRD in infrastructure and economic development. Development partners supported WBG ASA—particularly in the education sector—through a multi-donor trust fund. At PLR stage, the WBG-supported program was adjusted by refocusing the program on fewer objectives and indicators. On the whole, however, the changes were insufficient to reverse the weak original design. Moreover, they involved dropping outcomes and indicators for some areas, such as strengthening institutions, which are key for Timor-Leste and where the WBG has a comparative advantage.

##### Selectivity

5. The WBG-supported program lacked selectivity. The original CPS had four focus areas with 14 objectives and 26 indicators. At PLR stage, the program was trimmed to three focus areas, seven objectives and 15 indicators, in the context of limited WBG interventions and constrained institutional



capacity. The ASA program was too broad in scope—29 products covering many areas—which challenged the modest absorptive and implementation capacity of the country. IEG’s previous CLR review and Country Program Evaluation (2010) had both raised the need to reduce the complexity of program and project design, but these lessons did not percolate down to the preparation of this CPS. In the end, the lack of program selectivity proved too demanding for an FCS country with constrained administrative capacity and modest experience implementing WBG-supported programs.

#### Alignment

6. The program was well aligned with WBG’s corporate twin goals of reducing extreme poverty and boosting shared prosperity. Focus Area I could conceivably contribute to the reduction of extreme poverty and increase shared prosperity by improving the management and delivery of services in education, health and nutrition, and social protection. Under Focus Area II, supporting for economic development could help generate employment growth and raise incomes.

### **5. Development Outcome**

#### Overview of Achievement by Objective:

#### **Focus Area I: Service Delivery**

7. Focus Area I had two objectives: (i) improve the quality of the equivalency program, (a program to give a second chance to those who have missed out on an education), and (ii) improve infant and maternal nutrition practices in the poorest communities.

#### **Objective 1: Improve the quality of the equivalency program**

8. This objective was supported by the Second Chance Education Project (FY11), the Education Sector Support Project (FY07) and its Additional Financing (FY10), the Planning and Financial Management Capacity Building Project (FY06), and the Education Sector Dialogue (FY14) non-lending technical assistance. The objective had three indicators:

- The Ministry of Education is staffed with number of qualified and trained teachers, and pedagogic team: A total of 20 pedagogic staff and 139 teachers were recruited and trained (compared with target of 20 for pedagogic staff and 139 for teachers). *Achieved*
- Number of Community Learning Centers (CLCs) established, equipped and functioning to implement an education equivalency program in line with the new regulatory framework: The Second Chance Education Project (FY11) helped establish and equip nine CLCs in selected districts. All CLCs are currently functioning (compared with a target of nine CLCs and a baseline of 0 in 2015). *Achieved*
- Number of learners of the equivalency program: A total of 1,670 students benefitted from the equivalency program, of which 58 percent were female (compared with a target of 1,381 of which 55 percent female). *Achieved*.

9. The indicators are mostly process oriented, and could plausibly contribute to improving the quality of equivalency program. However, there is no evidence whether the quality of the equivalency program has improved. For instance, there is no information on the number of students completing the equivalency education. On balance, IEG rates Objective 1 as **Partially Achieved**.

#### **Objective 2: Improve infant and maternal nutrition practices in the poorest communities**

10. This objective was supported by the trust-funded Community-Driven Nutrition Improvement Project (FY15), Health Sector Strategic Plan Support (FY08), the Financial Management Capacity Building Project (FY06), the Human Resources for Health technical assistance (FY15), and the Health Programmatic AAA (FY17). The objective had two indicators:



- Proportion of children 0-6 months of age who are exclusively breastfed increases from 71.3 percent (2015) to 75 percent (2017): 70 percent of children 0-6 months (a slight decline from baseline) were exclusively breastfed in 2017. *Not Achieved*
- Proportion of mothers of children under 2 years of age who consumed iron-rich foods increases from 15.4 percent (2015) to 20 percent (2017): 37 percent of mothers of children under 2 years of age consumed iron rich foods by 2017. *Achieved*

11. The indicators are from the Community-Driven Nutrition Improvement Project, which covered 50 villages in the lowest living standards group. The WBG had mixed results in improving maternal nutrition practices in poor communities. It did not achieve the 75 percent program target for breastfeeding of children 0-6 months old (in fact there was a modest decline), but reached the target for the proportion of mothers of children under 2 years of age who consumed iron rich foods. The change in baseline and targets for the two indicators in 2016 (baseline and target lowered for breastfeeding, and increased for other nutrition) call into question the reliability of the indicators. On balance, IEG rates Objective 2 as **Partially Achieved**.

12. Focus Area I is rated **Moderately Unsatisfactory**. Both objectives were Partially Achieved. The World Bank supported program contributed to improving the quality of the equivalency program by fostering staffing at the Ministry of Education, establishing Community Learning Centers, and increasing the number of learners benefiting from the program. However, there is no available evidence indicating that the quality of the program has improved in terms of the number of learners completing the program. Moreover, the objective of improving infant and maternal nutrition was only partially achieved. The nutrition of mothers of children under 2 years of age as measured by an increase in consumption of iron-rich foods was achieved. However, there was no progress in the proportion of children 0-6 months old who are exclusively breastfed.

### **Focus Area II: Building Core Infrastructure**

13. Focus Area II had three objectives: (i) improve road conditions and sustainability of road investment, (ii) increased private sector investment in seaport infrastructure, and (iii) improve the regulatory framework and increased access to ICT.

#### **Objective 3: Improve road conditions and sustainability of road investment**

14. This objective was supported by the Road Climate Resilience Project (FY11, and its Additional Financing (FY14 and FY17), the trust-funded Building Climate/Disaster Resilience Along the Dili-Ainaro and Linked Corridors (FY15), and the Planning and Financial Management Capacity Building Program (FY06). The objective had two indicators:

- Percent of the Dili-Ainaro Road corridor that is in good or fair condition (target 75 percent in 2017 from a baseline of 10 percent in 2012): The Dili-Ainaro project (FY15) achieved 66 percent of the road corridor in good or fair condition by 2017. *Mostly Achieved*
- Climate resilience of the Dili-Ainaro road corridor: percent of drainage on the road corridor in good condition (75 percent in 2017 from a baseline of 20 percent in 2012): About 69 percent of the drainage was assessed to be in good condition by 2017. *Mostly Achieved*

15. The objective has a broad scope referring to road conditions and road investment, while indicators refer to a specific project on a single road corridor. As a result, we cannot claim that overall road conditions improved. On balance, IEG rates objective 3 as **Mostly Achieved**.

#### **Objective 4: Increased private sector investment in seaport infrastructure**

16. This objective was supported by Advisory Services from IFC—Tibar Bay Port—and ASA from the World Bank—Infrastructure Development and PPP (FY17). The objective had one indicator:

- Facilitate US\$100 million in new private investment for Tibar Bay Port: Tibar Bay Port is a new port that will replace Dili Port with a state-of-the-art facility developed as Timor-Leste's first PPP. Tibar Bay Port is expected to increase cargo capacity, solve the growing congestion at





Dili Port, a serious economic bottleneck, and help connect Timor Leste to the world. The port will cost an estimated US\$490m to construct over the life of the 30-year concession. IFC, in collaboration with the World Bank, helped complete the Tibar Port PPP transaction. After competitive bidding in 2016, the project sponsor (Bolloré Group) committed a total investment of US\$360 million during the 30-year concession period, with US\$150 million in the construction phase. The remainder of the cost (US\$130m) is to be financed by the Government. The PPP project achieved financial closure in 2018 and port construction has started. *Achieved*

17. There was no prior private investment in the Tibar Bay Port, and the government counted on the PPP to develop the new port. IEG rates objective 4 as **Achieved**.

**Objective 5: Improve the regulatory framework for, and promote increased access to, ICT**

18. This objective was supported by a Telecommunications TA (FY19), and had two indicators:

- Increase mobile phone penetration (from 50 percent in 2012 to 80 percent of the population in 2017): The CLR reports that about 98 percent of the population had access to mobile networks, basic mobile telephony, and data services. Although IEG could not verify this information, mobile phone penetration reached 125 percent in 2017 according to the International Telecommunications Union (ITU). World Bank TA was helpful for the liberalization of the telecommunications market by providing advice on a National ICT Policy and E-Legislation. An ICT project was planned under the original CPS but was dropped at the PLR stage to focus on TA over the remainder of the CPS period. *Achieved*
- Draft legal and regulatory frameworks for online transactions. ICT policy drafted with support from World Bank TA, and approved by the Council of Ministers in February 2017. *Achieved*

19. The latest telecommunications TA (FY19) provided advice on ICT Policy as an early deliverable completed in May 2017. Other donors, including Australia, also provided policy advice. The indicator on legal and regulatory frameworks is vague because it does not indicate the stage of drafting. IEG rates objective 5 as **Mostly Achieved**.

20. Focus Area II is rated **Moderately Satisfactory**. One objective was Achieved, and two Mostly Achieved. Collaboration between the World Bank and IFC contributed to attracting private investment in seaport infrastructure. While a specific Bank project helped improve the Dili-Ainaro road corridor, the road objective is broader in scope than the indicators that are based on the project. There is no indication in the project that it was intended to be catalytic and have an effect on overall road conditions. The World Bank provided TA on ICT policy during the CPS period. The new telecommunications framework allowed two new operators to enter the telecommunications market in 2012.

**Focus Area III: Economic Development**

21. Focus Area III had two objectives: (i) improve sustainable agriculture productivity, and (ii) improve the business environment.

**Objective 6: Improve sustainable agriculture productivity**

22. This objective was supported by a trust-funded Sustainable Agriculture Productivity Improvement Project (FY17), a Planning and Financial Management Capacity Building Program (FY06), and a trust-funded Institutional Reform and Transformation of the Ministry of Agriculture and Fisheries (MAF) (FY15), and had two indicators:

- Prepare plans for 50 percent of selected communities with sustainable agriculture development (from a baseline of 0 in 2015): According to the CLR, watershed management plans and agriculture development plans have been prepared by most of the *sucos* (local communities) in two, out of four, participating watershed areas. IEG could not verify this information. *Not Verified*



- Number of farmers that adopt improved agricultural technology (target 1200 in 2018): The implementation of the project supporting this objective (Sustainable Agriculture Productivity Improvement Project) was delayed, and hence, the target was not achieved. *Not Achieved*

23. The objective is broad in scope while the indicators are project specific. Moreover, the indicators are input focused and neither of them measure productivity. IEG rates objective 6 as **Not Achieved**.

#### **Objective 7: Improve the business environment**

24. This objective was supported by three IFC AS on: (i) Business Registration and Licensing Reform (FY10), (ii) Trade Logistics (FY14), and micro-finance Tuba Rai Metin (FY13) and Moris Rasik (FY12). IFC also provided lending to Tuba Rai Metin. It had three indicators:

- Streamline business registration and licensing process (from 103 days in 2012 to 5 days in 2016): A one-stop-shop supported by WBG contributed to expedite business registration. Yet, it currently still takes 13 days to register a business according to *Doing Business 2019*. *Mostly Achieved*
- Access to finance doubled, (from 13 percent of the population in 2012 to 26 percent in 2017): The 2018 Financial Inclusion Report by the central bank indicates that nine percent of the population have loan accounts, a decrease compared to baseline. IFC provided financial and advisory services (Tuba Rai Metin and Moris Rasik micro-finance institutions). The scope of the interventions was too narrow to move the needle at a national level. *Not Achieved*
- Reduce the time for real trade transactions by 15 percent (from 16 days in 2012 to 13 days in 2018): A new automated and streamlined process for customs clearance reduced the number of days to 6 days on average for a real trade transaction. IFC provide advisory services on Trade Logistics. *Achieved*

25. Business registration was streamlined and the amount of time for trade transactions was reduced significantly with support from an IFC AS project. On balance, IEG rates objective 6 as **Mostly Achieved**.

26. Focus Area III is rated **Moderately Unsatisfactory**. Of the two objectives, one was Not Achieved and one Mostly Achieved. IEG could not verify CLR information about sustainable agriculture development plans, and there was no progress on the number of farmers that adopted improved agriculture technology. With IFC support, business registration was streamlined and the amount of time for trade transactions was reduced significantly. The indicator on population's access to finance was not achieved and does not measure the stated objective.

#### Overall Assessment and Rating

27. IEG rates the CPS development outcome as **Moderately Satisfactory**. Of the seven objectives, one was Achieved, three Mostly Achieved, two Partially Achieved, and one Not Achieved. Under Focus Area I, the World Bank helped improve the equivalency program, and increase the number of learners benefiting from the program. However, there are questions about the quality of the program in terms of the number of learners completing the program. The objective of improving infant and maternal nutrition was only partially achieved because there was no progress in the proportion of children 0-6 months old who are exclusively breastfed. Under Focus Area II, IFC, in collaboration with the World Bank, helped complete a PPP transaction to develop a new port that is expected to solve the growing congestion at Dili Port. The Bank helped improve the Dili-Ainaro road corridor, and contributed TA on ICT policy Mobile phone penetration increased significantly. Under Focus Area III, business registration was streamlined and the amount of time for trade transactions was reduced significantly with support from an IFC AS project. However, there was no progress in the population's access to finance.



Objectives	CLR Rating	IEG Rating
<b>Focus Area I: Service Delivery</b>	<i>Moderately Satisfactory</i>	<b>Moderately Unsatisfactory</b>
Objective 1: Improve the quality of equivalency program	<i>Achieved</i>	<i>Partially Achieved</i>
Objective 2: Improve infant and maternal nutrition practices in the poorest communities	<i>Partially Achieved</i>	<i>Partially Achieved</i>
<b>Focus Area II: Building Core Infrastructure</b>	<i>Satisfactory</i>	<b>Moderately Satisfactory</b>
Objective 3: Improve road conditions and sustainability of road investment	<i>Mostly Achieved</i>	<i>Mostly Achieved</i>
Objective 4: Increase private sector investment in seaport infrastructure	<i>Achieved</i>	<i>Achieved</i>
Objective 5: Improve regulatory framework and increase access to ICT	<i>Achieved</i>	<i>Mostly Achieved</i>
<b>Focus Area III: Economic Development</b>	<i>Moderately Unsatisfactory</i>	<b>Moderately Unsatisfactory</b>
Objective 6: Improve sustainable agriculture productivity	<i>Partially Achieved</i>	<i>Not Achieved</i>
Objective 7: Improve business environment	<i>Mostly Achieved</i>	<i>Mostly Achieved</i>

## 6. WBG Performance

### Lending and Investments

28. At the beginning of the CPS period, outstanding lending commitments were \$46 million consisting of seven Investment Project Financing (IPF) operations, including one Additional Financing. The portfolio covered a wide range of sectors including education, transport, social development, health, education and governance. During the CPS period, new lending commitments amounted to \$75.2 million, comprising two Additional Financing for the Road Climate Resilience Project. The original plan for US\$114 million included three projects that were dropped, in part reflecting a political stalemate that delayed the preparation of projects. During the CPS period, four trust-funded activities (TFs) were approved for a total of \$27.1 million, complementing the road resilience project and other sectors not covered by IDA/IBRD operations, including agriculture and nutrition.

29. During the CPS period, the Timor-Leste portfolio performance at exit was worse than the EAP and Bank-wide averages. In terms of number of projects, IEG rated one out of five closed projects (20 percent) as Moderately Satisfactory or better, compared to the EAP (78.3 percent) and Bank-wide (72 percent). In terms of volume of commitments, Timor-Leste, with 29 percent rated Moderately Satisfactory or better, also fared worse than EAP (86.6 percent) and Bank-wide (83.3 percent). The risk to development outcome measured as percent of commitment volume at high or significant risk is also worse for Timor-Leste (53.5 percent) than EAP (44 percent) and Bank (47.3 percent) averages. Similarly, in terms of percent of number of projects at high or significant risk, Timor-Leste (60 percent) fared worse than both EAP (55 percent) and Bank-wide (57.3 percent).

30. ICR reviews of the five closed projects that exited during the CPS period concluded that poor performance was due to the following factors: too ambitious, unfocused, broad, and complex project design that did not take fully into account limited local capacity, and lack of mitigating measures during design or supervision to deal effectively with limited local capacity. In some projects, implementation improved when in-country Bank support took over supervision. Both Timor-Leste's CPE (2010) and IEG's last CLR review had referred to complex design features of Timor-Leste's portfolio that seem to have persisted over time.

31. Of the active portfolio, the share of projects at risk (by number of projects) averaged 58 percent, higher than FCS countries in EAP (28 percent) and FCS countries as a whole (38 percent). The share of commitments at risk was lower in Timor-Leste (26.8 percent) than in EAP-FCS (30.6 percent) and FCS as a whole (40 percent). Self-ratings of ongoing projects was satisfactory for





the road climate resilience project that had two additional financing operations. The poor ratings of projects at exit call into question the realism of the self-rating of the ongoing operation.

32. During the CPS period (FY13-FY18), IFC made net commitments of US\$1.5 million with no new net commitment in FY17 and FY18. The largest project was IFC's \$1 million loan to an existing financial sector client. During the review period, IEG did not validate any Expanded Project Supervision Reports (XPSRs) of IFC investment projects. There were no new MIGA projects or active projects from before the CPS period.

#### Analytic and Advisory Activities and Services

33. During the CPS period, the Bank delivered a total of 29 ASA products, most of them (18) Technical Assistance (TA) pieces. Technical assistance covered a wide range of topics, and its broad scope and volume did not take into account the absorptive and implementation capacity of the client. An infrastructure development and PPP TA was delivered mostly to foreign consultants at the Ministry of Finance and resulted in little if any build-up of local capacity. The programmatic AAA in health faced similar problems. Five pieces were delivered over two years, which gave little time for the client to absorb and implement key policy recommendations. The completion report notes that there was no critical mass of officials able to absorb the key messages of World Bank advice, and as a result, local implementation capacity is not advancing. On the whole, the analytical and TA work suffered from the same pitfalls as the overall program: excessive ambition for a country with limited absorptive capacity or interest in the extensive advice that the World Bank prepared.

34. During the review period, IFC approved seven new AS projects amounting to \$11.7 million of IFC funds. IFC acted as an investment advisor for the port PPP project and the project has attracted significant investment. During the review period, IEG validated one Project Completion Report (PCR) of an AS project and assigned Unsuccessful ratings to Development Effectiveness as the related airport PPP project did not materialize.

#### Results Framework

35. The original results framework had significant shortcomings. First, the original program design had 14 objectives and 26 indicators, with some objectives and indicators not well supported by appropriate interventions, including the cross-cutting area of the program. Second, the scope of some indicators was narrower than the objectives they intended to measure (for example, objective 3). Third, some program targets were ambitious, but with limited supporting interventions. For example, the indicator on access to finance was ambitious or vaguely defined (doubling the percentage of the population) based on IFC supporting two micro-finance institutions. This intervention did not have scope of influence to affect the overall population. Fourth, the initial results framework lacked measurable indicators in some areas (e.g. agriculture) which made it difficult to assess progress. Fifth, the link of some indicators to supporting interventions was not well established (for example, objective 5 -increase in mobile access to ASA). Sixth, some indicators do not have baseline or target dates (for example, objective 4, indicator 1; objective 5, indicator 2; objective 7, indicators 1 and 2).

36. At the PLR stage, adjustments were made to the results framework to address design shortcomings and to align the program with implementation capacity by reducing the number of objectives from 14 to 7, and indicators from 26 to 15. CPS objectives were either dropped (health, social protection, airport infrastructure, land, and the cross-cutting area of institution building) or consolidated due to limited Bank Group interventions (for example, private sector development). While the PLR results framework became more realistic by improving the links between WBG activities and program outcomes, the adjustments were not sufficient to reverse the shortcomings of the original design. For example, some of the objectives (e.g. access to finance) maintained a national dimension although interventions were localized and small. Despite the need for clear results in areas such as education, the revised indicators were process oriented.

#### Partnerships and Development Partner Coordination

37. The World Bank plays a significant role in Timor-Leste, along with other important bilateral donors such as Australia. Overall, the Bank Group collaborated with other donors either through a

multi-donor fund or through parallel financing. A multi-donor fund helped finance World Bank work in the education sector, statistical and policy formulation capacity, and on public expenditure analysis. The World Bank, with the European Union and the Millennium Challenge Corporation, supported the Ministry of Finance in conducting the 2018 PEFA (Public Expenditure and Financial Accountability). In road infrastructure projects, the World Bank shared common implementation units with the Asian Development Bank and the Japanese International Cooperation Agency.

#### Safeguards and Fiduciary Issues

38. Five operations were closed and validated by IEG during the CPS, of which four triggered environmental and social safeguards policies in the education, social services, and health sectors. The CLR confirms compliance with the policies throughout the CPS review period, noting some implementation challenges which included complaints related to the use of safety equipment, delays in staffing, and expense tracking. In the lessons learned, the CLR further notes contractors' noncompliance with the agreed safeguards implementation plans, and the need for constant capacity building as well as staff management. The ICRs and the ICRRs conclude that environmental and social risks were generally minor with negligible negative impacts in all operations. Compliance with the safeguard policies is rated satisfactory with the proper mitigation of the minor implementation issues that occurred. No inspection panel investigation was recorded during the CPS implementation period.

39. During FY13-17, INT reviewed four complaints and opened one case. INT substantiated fraud by a firm that won a consultancy contract financed under a project in the roads sector.

#### Ownership and Flexibility

40. The WBG-supported program and the Government's 2011-30 Strategic Development Plan were broadly aligned. The WBG carried out dialogue with the Government as well as roundtables with development partners during the preparation of the CPS to provide a broad-based perspective on development challenges facing the country. On this basis, program ownership was adequate, and cooperation between the World Bank Group and the Government fruitful. Such cooperation secured the country its first large Public-Private Partnership (PPP) for Tibar Bay Port, the largest investment in the country thus far outside of the oil and gas sector. Political conditions remained stable until the July 2017 elections, which were followed by a year-long political stalemate due to the absence of a clear winner. According to the CLR, the political stalemate delayed the preparation of projects, leading to the cancellation of some planned projects and difficulties in the implementation of other projects. The WBG demonstrated flexibility at the PLR stage, by recognizing implementation issues and program shortcomings, and taking measures to amend them by consolidating the CPS objectives and indicators.

#### WBG Internal Cooperation

41. IFC complemented the work of IDA/IBRD. World Bank ASA on telecommunications was followed by an IFC telecoms investment. IFC and World Bank work facilitated large private sector investments in port infrastructure. At the same time, the CLR suggests that there was conflicting advice given by IFC and the World Bank to the authorities on the Tibar Bay Port PPP transaction, and, as part of its lessons, suggests ways to avoid such conflict in the future.

#### Risk Identification and Mitigation

42. The CPS and PLR identified risks from (i) political developments and governance, (ii) macroeconomic instability, notably from external shocks, and (iii) from fiduciary issues. Mitigating measures included policy dialogue on macroeconomic and external developments, and collaboration with other development partners for joint project management and audit to mitigate fiduciary risks. The risks identified were appropriate. The mitigation measures were weak because they relied on monitoring and dialogue for the macro instability risk, and flexibility of the WBG engagement for political risk. The main risk that materialized was the political risk. The stalemate after the July 2017 elections delayed the pace of CPS implementation and made the policy dialogue more challenging. The World Bank's engagement became more narrowly focused on road infrastructure and agriculture.



In other areas, the main work continues through ASA. Macro-fiscal sustainability remains an issue due to declining oil revenues and excessive government withdrawals from the oil fund. The Bank coordinated with the IMF to monitor macroeconomic risks, and the dialogue with the government in this area continues.

#### Overall Assessment and Rating

43. On balance, IEG rates WBG performance as **Fair**. The original program addressed important issues for the country. However, the ambition of the program was not matched by supporting interventions. The volume of WBG interventions was small, and program results relied on the inherited portfolio of seven operations, and other trust-funded operations that were scattered in coverage. The broad scope of the ASA program did not take into account the absorptive and implementation capacity of the client. There were areas of the original program—health, social protection, airport infrastructure, land, cross-cutting area of institution building—where the program intended to achieve results with little engagement, and without the appropriate interventions or partnerships with other donors. At PLR stage, the WBG-supported program was adjusted acknowledging that some objectives had no corresponding interventions. For example, the outcomes and indicators of the cross-cutting area of institution building were dropped. Some objectives and indicators were not well supported by interventions, or there were overly broad objectives with project-level indicators and indicators not measuring the intended outcomes. The significant shortcomings of the original results framework were partially addressed at PLR stage when the number of objectives were reduced from 14 to 7, and indicators from 26 to 15. The PLR results framework thus became more realistic, improving the links of WBG activities (in the portfolio or expected to start implementation) to program outcomes. On the whole, however, the changes were insufficient to reverse the original weak design.

44. Portfolio performance at exit was worse than the EAP region and the overall World Bank, reflecting lack of realism in project design. IEG's ICR reviews of the five projects that exited during the CPS period emphasize far too ambitious project agendas, and unfocused, broad, and complex project design that did not take fully into account limited local capacity despite similar lessons having been raised previously by IEG. The Bank Group collaborated with other donors either through a multi-donor fund or through parallel financing. IFC complemented the work of IDA/IBRD.

### **7. Assessment of CLR Completion Report**

45. The CLR is clear and concise and provides a good discussion of the CPS achievements and WBG performance. The CLR could have provided more information on the impact of TA and economic sector work. In addition, it could have explained better why so many projects were dropped from the WBG program. It also would have been helpful if the CLR discussed the conflicting positions of IFC and World Bank regarding Tibar Bay Port PPP transaction. The CLR assessment period goes through FY19, which is not consistent with the IEG-OPCS shared approach. The extended CPS period was up to FY18 and should be the appropriate coverage of the CLR per the IEG-OPCS shared approach.

### **8. Findings and Lessons**

46. IEG agrees with the CLR lessons: (i) a more realistic CPS program scope at the outset of the program would have been more appropriate to deliver results; (ii) given slow rate of skill absorption among local and permanent employees, it is critical for sustainability to adopt proper pace of project implementation to allow strengthening of government institutional capacity; and (iii) clarifying the objectives, establishing clear protocols and escalation mechanisms upfront would help minimize the challenge for IFC and World Bank to work together as a WBG team.

47. IEG adds the following lessons:

- Program selectivity matters, especially in a weak capacity environment. In Timor-Leste, lack of selectivity led to an ambitious program that proved too demanding for an FCS country with a constrained administrative capacity and modest experience in implementing WBG-supported programs. In the end, the program could not deliver results as designed. In addition, lack of



selectivity in the ASA program tested the limited absorptive capacity of the client country and did not advance local capacity. A more selective program that takes into account client capacity and provides implementation support is essential to achieve sustainable results.

- A key lesson from this review, which is in line with CLR lessons, is the need to align program ambition with both WBG interventions and institutional capacity. Not heeding this lesson in Timor-Leste led to a program that could not deliver results in a number of objectives.
- Simplicity in the results framework maximizes the development effectiveness of WBG assistance. In Timor-Leste, the results framework had too many objectives with limited interventions, and the link of some indicators to supporting interventions was not well established.

Annex Table 1: Summary of Achievements of CPS Objectives – Timor-Leste

Annex Table 2: Timor-Leste Planned and Actual Lending, FY13-FY18 (\$, millions)

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Annex Table 9: Economic and Social Indicators for Timor Leste, 2013-2017

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Annex Table 12: IFC net commitment activity in Timor-Leste, FY15 - FY18 (\$, millions)

Annex Table 13: List of MIGA Projects Active in Timor-Leste, FY13-18 (\$, millions)





Annex Table 1: Summary of Achievements of CPS Objectives – Timor-Leste

	CPS FY13-FY18: Focus Area I: Service delivery	Actual Results	IEG Comments
<b>Major Outcome Measures</b>	<b>1. CPS Objective: Improved quality of equivalency program</b>		
	<b>Indicator 1:</b> Ministry is staffed with number of qualified and trained teachers and pedagogic team  <b>Baseline:</b> Teachers: none; Pedagogic staff: none (2015) <b>Target:</b> Teachers 139; Pedagogic staff: 20 (2018).	<p>The objective was supported by the Second Chance Education Project (P116520, FY11).</p> <p>The IEG <a href="#">ICRR: MU</a> of P116520 reports that 97 Level I program teachers and 42 Level 2 equivalency program teachers were recruited and staffed as of December 2016. In addition, 20 national pedagogical staff members were also recruited and staffed.</p> <p><b>Achieved</b></p>	At the PLR stage, the objective and indicator were revised.
	<b>Indicator 2:</b> Number of community learning centers established, equipped and functioning to implement an education equivalency program in line with the new regulatory framework.  <b>Baseline:</b> 0 (2015) <b>Target:</b> 9 (2018)	<p>The objective was supported by the Second Chance Education Project (P116520, FY11).</p> <p>The IEG <a href="#">ICRR: MU</a> of P116520 reports that 9 community learning centers in 8 municipalities were established, equipped, and functioning as of December 2016.</p> <p><b>Achieved</b></p>	At the PLR stage, the indicator was revised.
	<b>Indicator 3:</b> Number of learners of the equivalency program  <b>Baseline:</b> 729 (2014) <b>Target:</b> 1381 (2017) o/w female 55 percent	<p>The objective was supported by the Second Chance Education Project (P116520, FY11).</p> <p>The <a href="#">ICR: MS</a> of P116520 reports that there were 1,670 students who benefitted from the equivalency program as of December 2016, of which 969 were female (58%).</p> <p><b>Achieved</b></p>	While the targets of three indicators were achieved, these are output indicators that could plausibly contribute to improved quality of equivalency program. However, there is no available evidence to indicate the achievement of the stated objective.
<b>2. CPS Objective: Improved infant and maternal nutrition practices in the poorest communities</b>			
<b>Indicator 1:</b> Proportion of children 0-6 months of age who are exclusively breastfed from 71.3% (2015) to 75% (2017).	<p>The objective was supported by the Community Driven Nutrition project (P145491, FY14), Health Sector Strategic Plan Support (P104794, FY08) and the following ASAs: Health Programmatic AAA (P145528, FY16) and Human Resources in Health (P146118, FY15).</p> <p>The October 2018 <a href="#">ISR: MS</a> of P145491 reports that 70% of children &lt;6 months of age were exclusively breastfed. The survey that collected the information was conducted in May 2018. The project area</p>	The Health Programmatic AAA supported the objective by providing information on ongoing and future health sector reforms ( <a href="#">Completion Summary</a> ). P146118 studied the labor market among health workers including the assessment of skills, competence, and	



	CPS FY13-FY18: Focus Area I: Service delivery	Actual Results	IEG Comments
		for the project 50 villages in the districts of Baucau and Viqueque are in the lowest living standards group (P145491 <a href="#">Project Paper</a> ).	motivation of doctors ( <a href="#">Report</a> ).
	<b>Indicator 2:</b> Proportion of mothers of children under 2 years of age who consumed iron-rich foods from 15.4% (2015) to 20%. (2017)	<p>The objective was supported by the Community Driven Nutrition project (P145491, FY14), Health Sector Strategic Plan Support (P104794, FY08) and the following ASAs: Health Programmatic AAA (P145528, FY16) and Human Resources in Health (P146118, FY15).</p> <p>The October 2018 <a href="#">ISR: MS</a> of P145491 reports that 37% of mothers of children under 2 years of age consumed iron-rich foods as of August 2018. The project area for the project 50 villages in the districts of Baucau and Viqueque that fall in the lowest living standards group (P145491 <a href="#">Project Paper</a>).</p>	
		<b>Not Achieved</b>	
		<b>Achieved</b>	

	CPS FY13-FY18: Focus Area II: Building Core Infrastructure	Actual Results	IEG Comments
	<b>3. CPS Objective: Improved road conditions and sustainability of road investments</b>		
<u>Major Outcome Measures</u>	<b>Indicator 1:</b> % of the Dili-Ainaro Road Corridor that is in good or fair condition  <b>Baseline:</b> 10% (2012) <b>Target:</b> 75% (2017)	<p>The objective was supported by the Timor-Leste Road Climate Resilience Project (P125032, FY11) and Additional Financing (P130975, FY14; P252338, FY17) and the Building Climate/Disaster Resilience Along the Dili-Ainaro and Linked Road Corridors project (P144818, FY15).</p> <p>The May 2019 <a href="#">ISR: S</a> of P125032 reports that 72.6 km of the 110 km of total classified roads of the Dili-Ainaro corridor (66%) were in good and fair condition as of May 2019.</p>	At the PLR stage, the indicator was revised
	<b>Indicator 2:</b> Climate resilience of the Dili-Ainaro road corridor, as measured by % of drainage on the road corridor in good condition  <b>Baseline:</b> 20% (2012) <b>Target:</b> 75% (2017)	<p>The objective was supported by the Timor-Leste Road Climate Resilience Project (P125032, FY11) and Additional Financing (P130975, FY14; P252338, FY17) and the Building Climate/Disaster Resilience Along the Dili-Ainaro and Linked Road Corridors project (P144818, FY15).</p>	P144818 built the capacity of communities around the Dili-Ainaro and linked road corridors in community- based disaster risk management (DRM)



	CPS FY13-FY18: Focus Area II: Building Core Infrastructure	Actual Results	IEG Comments
		<p>The May 2019 <a href="#">ISR: S</a> of P125032 reports that 68.7% of the drainage in the Dili-Ainaro corridor were in good condition as of May 2019.</p> <p><b>Mostly Achieved</b></p>	<p>and adaptation (<a href="#">ICR: S</a>). This was achieved through the training of officials and community members on DRM and the preparation/implementation of DRM plans at the suco level.</p>
<b>4. CPS Objective: Increased private sector investment in seaport infrastructure</b>			
	<p><b>Indicator 1:</b> US\$100 million in new private investment for the Tibar Bay Port facilitated</p>	<p>The objective was supported by the ASA on Infrastructure Development and PPP (P149600, FY17) and the IFC AS Tibar Bay Port (596787, FY17).</p> <p>The CLR reports that the Tibar Bay PPP transaction has been completed which attracted \$148 million in private investments.</p> <p>IFC reported that after a competitive bidding in 2016, the project sponsor (Bolloré Group) committed a total investment of US\$360 million during the 30-year concession period, with US\$150 in the construction phase.</p> <p><b>Achieved</b></p>	<p>At the PLR stage, the indicator was revised.</p> <p>The ASA P149600 supported the objective by providing TA to support the capacity of the government's PPP unit to evaluate and assess infrastructure investments and establish processes to identify PPP opportunities (<a href="#">Completion Report</a>).</p>
<b>5. CPS Objective: Improved regulatory framework and increases access to ICT</b>			
	<p><b>Indicator 1:</b> # of beneficiaries with increase mobile penetration from 50% in 2012 to 80% in 2017</p>	<p>The objective was supported by the Telecommunication TA (P150886, FY19).</p> <p>The CLR reports that 98% of the population have access to mobile networks, basic mobile telephony, and data services. The International Telecommunications Union (ITU) reports that mobile phone penetration was 125 percent in 2017.</p> <p><b>Achieved</b></p>	<p>The ASA P150886 provided the government advice on a National ICT policy and E-Legislation (<a href="#">activity completion summary</a>). Although the latest telecommunications TA (FY19) was completed outside the CPS period, the advice on ICT Policy was an early deliverable completed in May 2017.</p>
	<p><b>Indicator 2:</b> Draft legal and regulatory framework for online transactions prepared.</p>	<p>The objective was supported by the Telecommunication TA (P150886, FY19).</p> <p>In February 2017, the National Policy for the Information and Communications Technologies (ICT) was approved</p>	<p>At the PLR stage, the indicator was revised.</p> <p>The indicator does not include a baseline/target year.</p>



	CPS FY13-FY18: Focus Area II: Building Core Infrastructure	Actual Results	IEG Comments
		<p>(<a href="#">Council of Ministries</a>). The national policy includes provisions for the creation of laws on cybercrime, electronic transactions, and data protection.</p> <p><b>Achieved</b></p>	
	CPS FY13-FY18: Focus Area III: Economic Development	Actual Results	IEG Comments
<b>Major Outcome Measures</b>	<b>6. CPS Objective: Improved sustainable agriculture productivity</b>		
	<p><b>Indicator 1:</b> % of selected communities with sustainable agricultural development plans prepared</p> <p><b>Baseline:</b> 0 (2015) <b>Target:</b> 50% (2018)</p>	<p>The objective was supported by the Sustainable Agriculture Productivity Improvement (P155541, FY17) and the following ASAs: Institutional Reform and Transformation of the Ministry of Agriculture and Fishery (P148698, FY18).</p> <p>The CLR reports that 2 out of four agricultural development plans have been prepared. IEG could not verify this information.</p> <p>The December 2018 <a href="#">ISR: MU</a> of P155541 reports that 1 (out of 7) sustainable community agricultural development plans were prepared and in use as of November 2018. The June 2019 <a href="#">ISR: MU</a> reports that as of May 2019, 2 development plans have now been prepared and in use.</p> <p><b>Not Verified</b></p>	<p>At the PLR stage, the indicator was revised.</p> <p>The ASA P148698 supported the objective by improving the Ministry's service delivery model to better align with and be more responsive to the needs of farmers and fishing communities (November 2017 <a href="#">ISR: MS</a>).</p> <p>The target of P155541 was changed from 4 to 7 management plans in 2018 (<a href="#">June 2018 ISR</a>).</p>
	<p><b>Indicator 2:</b> Number of farmers adopted improved agricultural technology</p> <p><b>Baseline:</b> 0 <b>Target:</b> 1200 (2018)</p>	<p>The objective was supported by the Sustainable Agriculture Productivity Improvement (P155541, FY17) and the following ASAs: Institutional Reform and Transformation of the Ministry of Agriculture and Fishery (P148698, FY18).</p> <p>The December 2018 <a href="#">ISR: MU</a> of P155541 reports that as of November 2018 there were no clients/farmers that adopted improved agricultural technology being promoted by the project.</p> <p><b>Not Achieved</b></p>	<p>At the PLR stage, the indicator was revised from the original: <i>% of farmers adopting improved farming practices</i></p> <p>The indicator does not include a baseline year.</p>
	<b>7. CPS Objective: Improved business environment</b>		
<p><b>Indicator 1:</b> Business registration and licensing process streamlined and time reduced</p>	<p>The objective was supported by the IFC AS Timor-Leste Business Registration and Licensing Reform Project (565307, FY18).</p>	<p>The indicator does not have a baseline/target year.</p>	



	CPS FY13-FY18: Focus Area III: Economic Development	Actual Results	IEG Comments
	<p>Baseline: 103 days Target: 5 days</p>	<p>The PCR of 565307 reports that the average time to register a business was reduced to 5 days from 83 days, while licensing was reduced from 35 days to 5 days as of April 2017. However, the Doing Business 2019 reports shows that it takes 13 days to register a business down from the 94 days reported in the 2014 report (<a href="#">Doing Business 2019</a>).</p> <p><b>Mostly Achieved</b></p>	
	<p>Indicator 2: Access to finance is Doubled</p> <p>Baseline: 13% of the population in FY12 Target: 26% of the population in FY17</p>	<p>The objective was supported by the IFC AS Tuba Rai Metin (590227, FY17) and Moris Rasik AS (582127, FY18).</p> <p>The CLR reports that the only 6% of the population or 37,964 individuals owned a loan account (<a href="#">Banco de Timor-Leste</a>). The 2018 Financial Inclusion Report of the Banco Central de Timor-Leste reports that 9% of the population or 58,352 individuals have loan accounts while 413,2353 individuals (62% of the population) have deposit accounts (<a href="#">report</a>). The report mentions that these figures were not adjusted for individuals holding loan or deposit accounts in multiple banks.</p> <p>The PCR of 590227 reports that 22,140 deposit accounts were opened and 30,113 microloans disbursed (\$42 million) as of December 2016. The PCR of 582127 reports that 4,021 first time financial clients were reached as of June 2017.</p> <p><b>Not Achieved</b></p>	
	<p>Indicator 3: Time to reduce trade by 15%</p> <p>Baseline: 16 days Target: 13 days</p>	<p>The objective was supported by the IFC AS Timor-Leste Trade Logistic (600075, ongoing).</p> <p>The FY19 Q4 supervision report of 600075 reports that it takes 6 days to comply with business regulations on trade. This represents a 37.5% decrease from the baseline of 16 days.</p> <p><b>Achieved</b></p>	<p>The indicator does not have a baseline/target year.</p>





**Annex Table 2: Timor-Leste Planned and Actual Lending, FY13-FY18 (\$, millions)**

Project ID	Project name	Proposed FY	Approval FY	Closing FY	Proposed Amount	Proposed Amount	Approved IDA Amount
<b>Project Planned Under CPS/PLR FY13-17</b>					CPF	PLR	
P130975	TP: Road Climate Resilience Proj - AF	2013	2014	2022	40		25.0
Dropped	Timor-Leste Coffee Sector Development	2014			7		
Dropped	TP Telecomms and ICT Develop Project	2014			7		
Dropped	Branch Roads	2016-2018					
Dropped	Tibar Bay Port	2016-2018					
<b>Total Planned</b>					<b>54</b>	<b>0</b>	<b>25</b>
<b>Unplanned Projects during the CPS Period</b>			Approval FY	Closing FY	Proposed Amount	Proposed Amount	Approved IDA Amount
P252338	Road Climate Resilience Project		2017	2022	--	35.2	
<b>Total Unplanned</b>					<b>--</b>	<b>35.2</b>	<b>83.5</b>
<b>On-going Projects during the CPS/PLR Period</b>			Approval FY	Closing FY			Approved IDA Amount
P116520	TL Second Chance Education Project		2011	2017			5.0
P125032*	Timor Leste Road Climate Resilience Proj		2011	2022			20.0
P120890	TP-ESSP Add'l Financing		2010	2013			5.0
P106220	TP - Youth Development Project		2009	2013			2.1
P104794	TP-Health Sector Strategic Plan Support		2008	2015			1.0
P095873*	TP-Education Sector Support		2007	2013			6.0
P092484	Planning & Fin Mgt Capacity Building		2006	2014			7.0
<b>Total On-going</b>							<b>46</b>

Source: Timor-Leste CPS and PLR, WB Business Intelligence Table 2a.1, 2a.4 and 2a.7 as of 8/21/19

\*LIR: Latest internal rating. MU: Moderately Unsatisfactory. MS: Moderately Satisfactory. S: Satisfactory. HS: Highly Satisfactory.

\*\* Parent Project

\*\*\* Rating from Parent Project



**Annex Table 3: Advisory Services and Analytics for Timor-Leste, FY13-18**

Proj ID	Project Name	FY	Product Line	Practice
P150114	Timor-Leste Economic Management and Governance	2018	AA	MTI
P163648	Timor-Leste Water Sector Assessment and Roadmap	2018	AA	WAT
P165266	Timor-Leste economic monitoring and reporting	2018	AA	MTI
P165836	Timor-Leste Public Expenditure Analysis	2018	AA	MTI
P132567	Land and Resource Governance in Timor-Leste	2017	AA	GOV
P145528	Timor-Leste Health Programmatic AAA	2017	PA	HNP
P149600	Infrastructure Development and PPP	2017	TA	PPP
P160298	Tibar Bay Industrial Park Technical Assistance	2017	TA	FCI
P117303	Social Accountability in Participatory Transfer and Grant Programs	2016	TA	GOV
P148080	Timor 2014 Living Standards Survey	2016	TA	POV
P148808	Programa Nasional Dezensolvimentu Suku (PNDS) Research and Evaluation Program	2016	IE	N/A
P149406	Timor-Leste Debt Management Reform Plan	2016	TA	MTI
P150407	Oecusse Economic and Trade potential	2016	EW	MTI
P151108	Medium Term Expenditure Pressure	2016	TA	HNP
P151167	Timor Leste: NLTA on Strengthening Country Systems for Service Delivery	2016	TA	GOV
P118554	Timor Leste - Customary Systems of Land Management and Rural Dev.	2015	EW	GOV
P130056	Timor-Leste: Social Protection Administration TA	2015	TA	SPL
P133265	Building Disaster/Climate Resilience in Timor-Leste	2015	TA	URS
P133282	Timor Leste Infra spending analysis	2015	EW	MTI
P146116	Health Equity & Financial Protection	2015	EW	HNP
P146117	Health Resource Tracking Survey	2015	TA	HNP
P146118	Human Resources for Health	2015	TA	HNP
P146119	Institutional Reform of SAMES	2015	TA	HNP
P147353	Dialogue and TA for improved social protection policy	2015	TA	SPL
P126300	Timor Leste Social Protection AAA	2014	TA	SPL
P127404	Responding to Low Food Prod & High Price	2014	TA	AGR
P130713	Road for Cultural Heritage	2014	TA	URS
P132187	Education Sector Dialog	2014	TA	EDU
P133459	Timor Leste 2011/12 Poverty Profile	2013	TA	POV

Source: WB AO and Standard Reports, 8/22/19



**Annex Table 4: Timor-Leste Grants and Trust Funds Active in FY13-18 (\$, millions)**

Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount
P155541	Sustainable Agriculture Productivity Improvement Project	TF A2869	2017	2023	21.0
P144818	Building Climate/Disaster Resilience Along the Dili-Ainaro and Linked Road Corridors in Timor-Leste	TF 18187	2015	2019	2.7
P148698	Institutional Reform and Transformation of MAF	TF 16487	2015	2018	0.5
P145491	Community Driven Nutrition Improvement	TF 17708	2015	2019	2.9
P125443	GPE Management Strengthening Project	TF 12495	2012	2016	2.8
P125784	Timor Leste Social Protection Administration Project	TF 99833	2012	2015	1.5
P125360	Building the capacities of procurement institutions to achieve development outcomes	TF 99233	2011	2014	0.1
P104794	Health Sector Strategic Plan Support Project	TF 91653	2008	2015	34.2
P095873	Education Sector Support	TF 90564	2008	2014	10.2
P092484	Planning and Financial Management Capacity Building Program	TF 93959	2009	2014	25.1
<b>Total</b>					<b>100.9</b>

Source: Client Connection as of 5/09/2019

\*\* IEG Validates RETF that are 5M and above

**Annex Table 5: IEG Project Ratings for Timor-Leste, FY13-18 (\$, millions)**

Exit FY	Proj ID	Project name	Total Evaluated	IEG Outcome	IEG Risk to DO
2013	P095873	TP-Education Sector Support	10.7	MODERATELY UNSATISFACTORY	SIGNIFICANT
2013	P106220	TP - Youth Development Project	2.0	MODERATELY UNSATISFACTORY	SIGNIFICANT
2014	P092484	Planning & Fin Mgt Capacity Building	7.4	MODERATELY SATISFACTORY	NEGLECTIBLE TO LOW
2015	P104794	TP-Health Sector Strategic Plan Support	1.0	MODERATELY UNSATISFACTORY	SIGNIFICANT
2017	P116520	TL Second Chance Education Project	4.5	MODERATELY UNSATISFACTORY	MODERATE
<b>Total</b>			<b>25.6</b>		

Source: AO Key IEG Ratings as of 08/23/2019

**Annex Table 6: IEG Project Ratings for Timor-Leste and Comparators, FY13-18**

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$)	Outcome % Sat (No)	RDO % Moderate or Lower Sat (\$)	RDO % Moderate or Lower Sat (No)
Timor-Leste	25.6	5.0	29.0	20.0	46.5	40.0
East Asia Pacific	23,330.7	252.0	87.6	79.0	56.0	54.0
World	131,961.0	1,500.0	83.8	74	48.2	41.9

Source: WB AO as of 08/22/2019; \*IEG Calculation



**Annex Table 7: Portfolio Status for Timor-Leste and Comparators, FY13-18**

Fiscal year	2013	2014	2015	2016	2017	Ave FY13-17
<b>Timor-Leste</b>						
# Proj	6	6	4	4	4	5
# Proj At Risk	5	5	2	1	1	3
% Proj At Risk	83	83	50	25	25	58
Net Comm Amt (\$M)	57.92	90.80	70.82	70.55	121.76	82.4
Comm At Risk (\$M)	26.0	68.8	5.0	2.7	2.7	21
% Commit at Risk	44.89	75.78	7.06	3.83	2.22	26.8
<b>EAP</b>						
# Proj	351	354	344	337	359	349
# Proj At Risk	66	65	70	56	62	64
% Proj At Risk	19	18	20	17	17	18
Net Comm Amt (\$M)	30,542.3	31,852.5	32,386.0	33,346.1	35,863.3	32,798
Comm At Risk (\$M)	5,089.2	5,270.3	6,412.3	4,776.1	5,405.5	5,391
% Commit at Risk	16.7	16.5	19.8	14.3	15.1	16.5
<b>EAP-FCS</b>						
# Proj	21	25	34	34	44	32
# Proj At Risk	9	8	7	7	13	9
% Proj At Risk	43	32	21	21	30	28
Net Comm Amt (\$M)	355.6	842.9	1,618.9	2,023.4	2,889.8	1,546
Comm At Risk (\$M)	114.5	203.0	566.7	348.6	1,285.8	504
% Commit at Risk	32.2	24.1	35.0	17.2	44.5	30.6
<b>FCS*</b>						
# Proj	202	224	225	221	236	222
# Proj At Risk	77	80	88	86	94	85
% Proj At Risk	38	36	39	39	40	38
Net Comm Amt (\$M)	9,725.8	10,752.9	11,996.4	14,071.6	17,776.2	12,865
Comm At Risk (\$M)	4,116.9	4,009.2	4,690.0	5,396.4	7,734.4	5,189
% Commit at Risk	42.3	37.3	39.1	38.3	43.5	40.1
<b>World</b>						
# Proj	1,964	2,048	2,022	1,975	2,071	2,016
# Proj At Risk	414	412	444	422	449	428
% Proj At Risk	21	20	22	21	22	21
Net Comm Amt (\$M)	176,202.6	192,610.1	201,045.2	220,331.5	224,420.1	202,922
Comm At Risk (\$M)	40,805.6	40,933.5	45,987.7	44,244.9	52,549.1	44,904
% Commit at Risk	23.2	21.3	22.9	20.1	23.4	22.2

Source: WB BI as of 8/21/19

Agreement type: IBRD/IDA Only



**Annex Table 8: Total Net Disbursements of Official Development Assistance and Official Aid for Timor-Leste (\$, millions)**

Development Partners	2013	2014	2015	2016	2017
<b>All Donors, Total</b>	<b>258.57</b>	<b>249.54</b>	<b>212.29</b>	<b>223.55</b>	<b>231.96</b>
<b>DAC Countries, Total</b>	<b>199.19</b>	<b>183.36</b>	<b>148.64</b>	<b>160.94</b>	<b>163.53</b>
Australia	108.57	89.64	62.98	56.78	69.06
Austria	0.02	..	..	..	..
Canada	0.3	0.52	0.3	0.3	0.13
Denmark	0.17	..	..	..	..
Finland	0.73	0.83	0.43	0.1	0.24
France	0.25	0.56	0.49	0.31	0.22
Germany	7.88	7.89	7.29	7.63	6.55
Hungary	..	..	..	..	0
Ireland	..	0.14	..	0.06	..
Italy	1.15	0.02	0.07	0.04	0.01
Japan	22.17	19.17	19.26	36.71	24.13
Korea	3.6	4.02	9.01	12.06	11.77
Netherlands	..	..	..	..	0.24
New Zealand	9.19	10.8	14.91	10.77	11.49
Norway	5.56	4.51	2.92	1.49	0.65
Poland	0.01	0.01	0.01	..	..
Portugal	17.33	17.68	12.97	14.58	15.44
Spain	1.54	0	..	..	..
Sweden	0.87	0.34	0.14	0.23	0.4
Switzerland	..	..	..	..	0.04
United Kingdom	0.11	0.07	0.1	0.02	0.3
United States	19.74	27.15	17.76	19.86	22.86
<b>Multilaterals, Total</b>	<b>59.3</b>	<b>65.9</b>	<b>63.42</b>	<b>62.55</b>	<b>68.27</b>
EU Institutions	19.66	22.69	11.5	20.28	27.86
Regional Development Banks, Total	19.03	18.25	25.24	12.6	12.8
Asian Development Bank, Total	19.03	18.25	25.24	12.6	12.8
Asian Development Bank [AsDB]	19.03	18.25	25.24	12.6	12.8
United Nations, Total	9.26	10.51	8.12	5.84	4.76
Food and Agriculture Organisation [FAO]	0.17	..	..	..	..
IFAD	0.56	2.37	0.24	..	..
International Labour Organisation [ILO]	0.93	0.62	1.18	0.56	0.66
UNDP	1.87	2.28	1.06	1.14	0.67
UNFPA	1.84	2.04	1.74	1.48	1.07
UNICEF	1.5	1.21	1.44	1.18	1.15
WFP	1.55	0.86	0.12	0.04	0.06





Development Partners	2013	2014	2015	2016	2017
World Health Organisation [WHO]	0.84	1.13	2.34	1.43	1.16
World Bank Group, Total	4.2	4.96	11.17	14.4	10.37
World Bank, Total	4.2	4.96	11.17	14.4	10.37
International Development Association [IDA]	4.2	4.96	11.17	14.4	10.37
Other Multilateral, Total	7.14	9.48	7.4	9.43	12.47
Global Alliance for Vaccines and Immunization [GAVI]	0.29	0.95	0.35	0.09	2.61
Global Environment Facility [GEF]	1.32	2.77	3.56	3.73	4.33
Global Fund	5.53	5.77	3.49	5.62	5.53
<b>Non-DAC Countries, Total</b>	<b>0.08</b>	<b>0.28</b>	<b>0.23</b>	<b>0.06</b>	<b>0.16</b>
Thailand	0.07	0.28	0.22	0.06	0.16
United Arab Emirates	0.01	..	0.01	..	..
Private Donors, Total	0.1	0.01	0.01	0.01	0.01
Bill & Melinda Gates Foundation	0.1	0.01	0.01	0.01	0.01

Source: OECD Stat. DAC2a as of 03/11/2019

Annex Table 9: Economic and Social Indicators for Timor Leste, 2013-2017

Series Name						Timor-Leste	EAP	World
	2013	2014	2015	2016	2017	Average 2013-2017		
<b>Growth and Inflation</b>								
GDP growth (annual %)	(11.0)	(26.0)	20.9	0.8	(8.0)	-4.7	6.5	2.8
GDP per capita growth (annual %)	(13.1)	(27.8)	18.1	(1.4)	(10.0)	-6.8	5.8	1.6
GNI per capita, PPP (current international \$)	6,620.0	5,460.0	7,120.0	7,110.0	6,330.0	6,528.0	13,550.2	15,738.3
GNI per capita, Atlas method (current US\$)	3,540.0	2,870.0	2,980.0	2,290.0	1,790.0	2,694.0	6,660.2	10,617.1
Inflation, consumer prices (annual %)	11.1	0.7	0.6	(1.3)	0.6	2.3	2.2	2.0
<b>Composition of GDP (%)</b>								
Agriculture, value added (% of GDP)	5.2	7.4	8.9	11.4	..	8.2	9.5	3.6
Industry, value added (% of GDP)	79.8	69.8	56.9	44.8	..	62.8	54.8	26.2
Services, value added (% of GDP)	15.2	22.7	32.7	43.3	..	28.5	34.8	64.3
Gross fixed capital formation (% of GDP)	11.0	15.7	18.4	25.2	..	17.6	20.4	23.4
<b>External Accounts</b>								
Exports of goods and services (% of GDP)	94.0	96.3	74.9	57.8	..	80.8	26.1	31.1
Imports of goods and services (% of GDP)	36.7	59.5	54.4	60.2	..	52.7	23.8	30.1
Current account balance (% of GDP)	42.3	27.3	7.2	(21.1)	(11.5)	8.9	..	..
External debt stocks (% of GNI)	2.0	2.4	3.2	1.3	1.9	2.2	..	..
Total debt service (% of GNI)	0.0	0.0	0.0	0.0	0.0	0.0	1.9	..
Total reserves in months of imports	6.8	3.1	3.9	2.8	5.6	4.4	15.9	13.2
<b>Fiscal Accounts <sup>1</sup></b>								
General government revenue (% of GDP)	20.2	26.3	33.2	36.8	30.6	29.4	..	..
General government total expenditure (% of GDP)	23.7	39.7	50.2	71.8	50.0	47.1	..	..
General government net lending/borrowing (% of GDP)	41.7	23.3	3.7	(22.1)	(9.4)	7.4	..	..
General government gross debt (% of GDP)	0.1	0.5	1.5	3.1	3.8	1.8	..	..

Series Name						Timor-Leste	EAP	World
	2013	2014	2015	2016	2017	Average 2013-2017		
<b>Health</b>								
Life expectancy at birth, total (years)	68.0	68.3	68.6	68.9	..	68.4	74.4	71.8
Immunization, DPT (% of children ages 12-23 months)	82.0	77.0	76.0	76.0	76.0	77.4	92.7	84.9
People using safely managed sanitation services (% of pop)	..	..	..	..	..		58.8	38.5
People using at least basic drinking water services (% of pop)	67.4	68.8	70.2	..	..	68.8	93.0	88.0
Mortality rate, infant (per 1,000 live births)	46.5	44.9	43.6	42.2	40.8	43.6	14.7	31.3
<b>Education</b>								
School enrollment, preprimary (% gross)	125.7	121.6	116.4	109.5	100.6	114.7	102.9	103.6
School enrollment, primary (% gross)	11.4	13.9	16.0	16.5	17.9	15.1	76.1	47.6
School enrollment, secondary (% gross)	59.7	62.5	68.0	74.3	79.3	68.8	86.2	76.3
School enrollment, tertiary (% gross)	..	..	..	..	..	..	41.0	36.2
<b>Population</b>								
population, total	1,184,366.0	1,212,814.0	1,240,977.0	1,268,671.0	1,296,311.0	1,240,627.8	2,020,624,749.0	7,357,707,460.4
population growth (annual %)	2.4	2.4	2.3	2.2	2.2	2.3	0.7	1.2
Urban population (% of total)	28.8	29.1	29.5	29.9	30.2	29.5	53.1	53.9
Rural population (% of total pop)	71.2	70.9	70.5	70.2	69.8	70.5	46.9	46.1
<b>Poverty</b>								
Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of pop)	..	30.3	..	..	..	..	..	..
Poverty headcount ratio at national poverty lines (% of pop)	..	41.8	..	..	..	..	..	..
Rural poverty headcount ratio at national poverty lines (% of rural pop)	..	47.1	..	..	..	..	..	..
Urban poverty headcount ratio at national poverty lines (% of urban pop)	..	28.3	..	..	..	..	..	..
GINI index (World Bank estimate)	..	28.7	..	..	..	..	..	..

Source: WB World Development Indicators Data Bank 03/13/19

\*International Monetary Fund, World Economic Outlook Database, October 2018



**Annex Table 10: List of IFC Long Term Investments in Timor-Leste (\$, millions)**  
Investments Committed in FY13-18

Project ID	Cmt FY	Project Status	Primary Sector Name	Project Size	Net Loan	Net Equity	Net Comm
33643	2013	Closed	TRM Microfinance	500.0	500.0	-	500.0
34884	2016	Active	TRM Loan II	1,000.0	1,000.0	-	1,000.0
<b>Sub-Total</b>				<b>1,500.0</b>	<b>1,500.0</b>	<b>-</b>	<b>1,500.0</b>

Source: IFC-MIS Extract as of 1/31/19

**Annex Table 11: List of IFC Advisory Services in Timor-Leste (\$, millions)**  
Advisory Services Approved in FY13-18

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds
602611	Pipeline review	2018	2018	CLOSED	CPC	0.03
600892	Timor Leste Tibar Bay Investment Plan (TBIP) - Spatial, SME, Skills and GVC Cluster Development	2017	2018	TERMINATED	TAC	1.08
600552	Timor-Leste Health PPP	2016	2019	ACTIVE	CPC	1.18
600075	Timor-Leste Trade Logistic	2014	2019	ACTIVE	EFI	2.53
590227	Tuba Rei Metin AS Project	2013	2017	CLOSED	FIG	1.60
591387	Dili Airport PPP	2013	2016	CLOSED	CPC	1.46
596787	Tibar Bay Port PPP	2013	2017	ACTIVE	CPC	3.90
<b>Sub-Total</b>						<b>11.78</b>

**Advisory Services Approved pre-FY15 but active during FY13-18**

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds
582127	Moris Rasik	2012	2016	CLOSED	FIG	1.39
583908	Timor-Leste Public Private Partnerships	2012	2013	TERMINATED	CPC	1.71
565307	Timor-Leste Business Registration and Licensing Reform Project	2010	2017	CLOSED	EFI	2.33
557728	Timor Leste Public-Private Dialogue	2008	2013	CLOSED	IC	1.99
<b>Sub-Total</b>						<b>7.4</b>
<b>TOTAL</b>						<b>19.2</b>

Source: IFC AS Portal Data as of 02/28/19



**Annex Table 12: IFC net commitment activity in Timor-Leste, FY15 - FY18 (\$, millions)**

	2013	2014	2015	2016	2017	2018	Total
<b>Long-term Investment Commitment</b>							
Financial Markets	0.5			1.0			
<b>Total IFC Long Term Investment Commitment</b>	<b>0.5</b>			<b>1.0</b>	-	-	<b>1.5</b>
<b>Short-term Finance/Trade Finance / Average Outstanding Balance (GTFP)</b>							

Source: IFC MIS as of 03/12/19

Note: IFC began reporting average outstanding short-term commitments (not total commitments) in FY15 and no longer aggregates short-term commitments with long-term commitments. IEG uses net commitment number for IFC's long-term investment. For trade finance guarantees under GTFP, average commitment numbers have been used.

**Annex Table 13: List of MIGA Projects Active in Timor-Leste, FY13-18 (\$, millions)**

Contract Enterprise	2013	2014	2015	Sector	Max Gross Issuance
<b>No Active Projects</b>					

Source: MIGA w/ Project Briefs 5/9/19