

WaterAid in Timor-Leste

Country Strategy 2010-2015



Executive Summary

WaterAid was initially formed in UK in 1981 and has developed extensive programs in a number of countries in Africa and South Asia. WaterAid Australia was formed in 2003 with the intention of extending WaterAid's global reach to South East Asia and the Pacific. A regional program development strategy was formed which prioritises the progressive development of country programs in some of the poorest nations in the region. Timor-Leste was chosen for WaterAid's first program in South East Asia.

WaterAid has been present in Timor-Leste since 2005. WaterAid was established as an INGO in its own right in Timor-Leste in 2007 following approval of a five year agreement with Timor-Leste's National Directorate of Water and Sanitation Services (DNSAS). The direction for WaterAid's initial program was set out in the Timor-Leste Country Program Strategy 2006-08,

In 2009 WaterAid conducted an extensive review of the Timor-Leste program. The main findings from this review have informed the development of this new Country Strategy.

- WaterAid has established a strong reputation and credibility within Timor-Leste built around its community WASH activities in Aileu and Liquica districts and its position as the only specialist WASH INGO.
- Introduction of CLTS in Timor-Leste, demonstrating the triggering process and advocating for adoption with government and other agencies, has been a major achievement. However the supply side of sanitation is a significant gap. Need to stimulate the private sector to meet community demand to build and upgrade toilets.
- There is a need to manage program growth so that quality is not compromised;
- Move to long-term partnership agreements for partners; better define the roles of partners, WaterAid and communities in implementation.
- Increase advocacy activities —focus effort mainly on RWSSP including collaboration on issues of common interest; pursue three advocacy objectives – sector mapping, sanitation policy, budget advocacy and GMF Federation.
- Staff development and support—make staff and partner development a very high program priority.
- Increase integration with government especially integrating with decentralisation activities in WASH sector
- Give greater attention to learning—keep consolidated files for each community project; support advocacy through a planned approach to documentation and dissemination of learning; continue to draw on WaterAid's global network for specialist advice.
- Selection of project sites that demonstrate successful approaches to working with poor communities in *different geographical settings* including coastal fringe and arid areas; in particular, expand WaterAid's range of water solutions to include ground water development.

- More work to be done to identify the main barriers to equity and social inclusion in project work
- Capacity building; needs addressing collectively at a sectoral level; within WaterAid, more deliberate focus on learning and reflective practice

The shape of the new Timor-Leste Country Strategy is underpinned by the strategy outlined in the WAAus Business Plan, which states:

'In essence the strategy entails WaterAid field testing and proving WASH best practice methodologies in each country context, then advocating for them to be adopted and implemented at national scales. This will involve advocating for appropriate prioritisation of WASH by national governments, donors and other WASH sector actors. National plans will need to be adequately financed and for local human capacity to be enhanced to implement programs to the scale required.'

This paragraph also encapsulates the major thrust of the WaterAid Global Strategy, to maximise impact by advocating for adoption and scale up of WaterAid tested successful WASH methodologies.

The WaterAid Global Strategy also places emphasis on equity and inclusion issues ensuring that the voiceless, the poor, the neglected, the socially excluded and the marginalized are able to demand and exercise their rights to inclusive secure safe water, improved hygiene and sanitation services. WaterAid is building a common, coherent and pragmatic understanding of equity and inclusion so we can integrate it into our work and that of our partners. In this strategic period WaterAid in Timor Leste will strengthen its efforts through ongoing analysis of barriers and modelling of solutions, capacity building of staff and partners, form strategic partnerships, action research into priority areas (such as disability inclusive WASH and menstrual hygiene), improving our monitoring and evaluation systems and continuing to be active in the WaterAid global activities. WaterAid in Timor Leste will also ensure that equity and inclusion issues are highlighted in our advocacy messages, we will be a champion for inclusive WASH in Timor-Leste.

In Timor-Leste, WaterAid will continue to directly support a significant number of WASH projects which demonstrate the effectiveness of WaterAid's approach. On this basis, WaterAid will remain more a niche actor rather than a large-scale implementer. That said WaterAid will ensure that it undertakes enough WASH projects to enable it to be seen as a credible stakeholder in the WASH sector, so that its voice is heard.

The challenge in the next five year period is to use WaterAid's credibility to better influence other actors in the sector, as well as to continue to field test potential solutions to current WASH sector issues such as sustainability and hand washing with soap.

The strategy is to limit the rate of expansion in Liquica and gradually commence work in another district. Manufahi has been selected as the district for expansion. The advantages of this approach are that:

- It will not overstretch our partners in Liquica
- It will strengthen our relationship with the government by agreeing to support another district. It will also provide experience in a new geographical area in Timor where different technologies can be demonstrated. Gravity-fed water supply systems are the most common form of water technology in Liquica and this has been the default water technology in Timor-

Leste to date. Manufahi offers scope for some gravity-fed schemes but also has large areas of coastal plain with potential for the use of both boreholes and dug wells fitted with hand pumps. Selection of Manufahi, in the western region of the country, fits with WaterAid's poverty focus. Whilst the whole of rural Timor-Leste is considered to be very poor, various studies have ranked districts in the west to be poorer than those in the east.

Establishing a substantial advocacy program for WaterAid will require additional resources, particularly during the first six to twelve months. WaterAid plans to identify and train suitable staff by seconding an experienced WaterAid expatriate staff member for six months to train up and mentor a small team of advocacy interns.

Other advocacy strategies will include continuing to engage with the WASH sector meetings and workshops hosted by INGOs; formation of a national WASH coalition linked to WSSCC; and identifying a prominent Timorese WASH champion, such as the Prime Minister, Xanana Gusmao.

In 2010 there has been a quantum shift in funding allocated to WASH, particularly in the rural sector. For the 2010 financial year, WASH has become the major priority within the Ministry of Infrastructure and a budget of \$11 million has been allocated to construct 64 new water systems. This funding, combined with that made available through RWSSP, DWASH and INGOs, means that the rural sector currently has clearly as much funding as can be spent effectively. Advocacy is required in two areas: firstly to keep these commitments going and ensure that the sector is adequately funded in the long term; and also to ensure that funds are spent effectively and that the government gets good results from these investments.

A number of important policies are missing in Timor-Leste or remain in draft form only. Within the rural sector, RWSSP is steering most of the policy work, particularly with respect to a new rural water policy (currently being drafted by Bob Reed from WEDC) and the draft national sanitation policy (being drafted by Andy Robinson, Consultant). WaterAid will continue to engage with the government and the expatriate advisers who are developing these policies to promote a rights-based framework and strong pro-poor targeting.

In general, it is clear that INGOs such as WaterAid need to support both GOTL (planning, monitoring) and local NGOs when implementing activities with communities, in order for quality work to be achieved. It would seem, however, that GOTL, RWSSP, and the local NGOs themselves do not have a need for INGO support and view INGO intervention as an expensive, inefficient allocation of resources. In response, WaterAid is considering advocating for a model where it funds mentoring and supervision while the government pays for the local NGOs and materials costs.

Given that sector funding is not currently a key blockage (as noted above), the capacity of government and local NGO WASH actors looms as one of the major inhibiting areas. WaterAid's response to this issue will be multifaceted. WaterAid will work with local NGOs and Government partners to build their capacities as well as linking in with relevant education and training Institutions, WaterAid will also seek to promote and support linkages between Timorese training institutions and Australian and International training institutions such as IWC, WEDC and TAFE schools.

The estimated financial requirements needed to resource the strategy are outlined in the table below.

	2010/11	2011/12	2012/13	2103/14	2014/15
WASH projects, Liquica	A\$600K (18 villages)	A\$750K (20 villages)	A\$750K (20 villages)	A\$750K (20 villages)	A\$750K (20 villages)
WASH projects, Manufahi	A\$70K (mobilisation)	A\$200K (3 villages)	\$410K (8 villages)	\$630K (12 villages)	A\$850K (18 villages)
Advocacy	A\$30K	A\$50K	A\$90K	A\$120K	A\$150K
Totals	A\$700k	A\$1m	A\$1.25m	A\$1.5m	\$1.75m

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Abbreviations

ADB	Asian Development Bank
AusAID	Australian Agency for International Development
CWSS	Community Water Supply and Sanitation
DEH	Department for Environmental Health
DHP	Department of Hygiene Promotion
DHS	District Household Survey
DNSAS	Direcção Nacional dos Serviços de Água e Saneamento (National Directorate for Water and Sanitation)
DWASH	District Water and Sanitation for Health (USAID-funded WASH program)
DUWSSP	Dili Urban Water Supply Sector Project
DWSPI	Dili Water Supply Performance Improvement
GMF	Grupo Maneja Facilidade (Water User Group)
HR	Human Resource
IDSS	International Development Support Services
INDMO	Instituto Nacional de Desenvolvimento de Mão de Obra (National Institute for Workforce Development)
INAP	National Institute of Public Administration (Instituto Nacional Administrasaun Publika)
INGO	International Non Government Organisation
IWC	International Water Centre (Brisbane)
JMP	WHO/UNICEF Joint Monitoring Programme
LGSP	Local Government Support Program
MDG	Millennium Development Goals
MoED	Ministry of Economy and Development
MPB	Multiyear Plan and Budget
MSATM	Ministry of State Administration and Territorial Management (Ministério da Administração Estatal e Ordenamento do Território)
MoH	Ministry of Health
Mol	Ministry of Infrastructure
MoED	Ministry of Economy and Development
NNGO	National Non Government Organisation
PM&E	Planning , Monitoring and Evaluation
PSF	Family Health Promoters

RDTL	Rebulica Democractica Timor Leste (the Democratic Republic of Timor-Leste)
RWSSP/BESIK	Rural Water Supply and Sanitation Program (AusAID funded)
SISCa	Integrated Community Health System
SPD	Strategic Development Plan 2011-30
WAAus	WaterAid in Australia
WASH	Water, Sanitation and Hygiene
WATL	WaterAid in Timor-Leste
Watsan	Water and Sanitation
WEDC	Water Engineering Development Centre
WSP	Water and Sanitation Program of the World Bank
WSSCC	Water Supply and Sanitation Collaborative Council

1 Introduction

1.1 Purpose

In 2009 WaterAid developed a new Global Strategy for the period 2009-2015. This new strategy aims to increase WaterAid's contribution to the global water and sanitation MDG targets by directly supporting an additional 25 million people gain access to safe water and improved hygiene and sanitation through our service delivery work and by influencing policies and practices of governments and service providers we aim to reach a further 100million people. These global targets represent a significant increase in work directly supported by WaterAid and also requires a considerable ramping up of our policy, advocacy and campaigning activities.

Each country program has been required to realign its specific country strategy to ensure it is consistent with the overall aims and objectives of the Global Strategy. This new WaterAid Country Strategy for Timor -Leste 2010-15 has been developed with this purpose in mind and also after undertaking extensive stakeholder consultation within Timor –Leste.

1.2 Background information on the country program

WaterAid was initially formed in UK in 1981 and has developed extensive programs in a number of countries in Africa and South Asia. Australia was formed in 2003 with the intention of extending WaterAid's global reach to South East Asia and the Pacific. A regional program development strategy was formed which prioritises the progressive development of country programs in some of the poorest nations in the region. Timor-Leste was chosen for WaterAid's first program in South East Asia. WaterAid has been present in Timor-Leste since 2005, operating initially through a partnership between WaterAid Australia (WAAus) and Plan International and since 2007 as WaterAid Timor-Leste (WATL). While in formal partnership with Plan International, WaterAid's Timor-Leste staff provided technical guidance on the design, construction and follow up support for fifteen community water supply and sanitation projects in two districts, Aileu and Lautem.

WaterAid was established as an INGO in its own right in Timor-Leste in 2007 following approval of a five year agreement with Timor-Leste's National Directorate of Water and Sanitation Services (DNSAS). The direction for WaterAid's initial program was set out in the Timor-Leste Country Program Strategy 2006-08, the goal and four objectives of which were:

Goal: to improve the health and quality of life of men, women and children living in Timor-Leste through the provision of safe and adequate water supply, appropriate sanitation and hygiene education.

Objective 1: Establish credibility and legitimacy through a formal presence in Timor-Leste in order to increase knowledge and support direct project implementation and advocacy outcomes

Objective 2: Water and sanitation services and related policies for poor communities are improved by working constructively with policy makers at local, national and international levels.

Objective 3: Consider engagement in urban Watsan activities where possible and appropriate

Objective 4: Work through partners to deliver sustainable water facilities, adequate sanitation and improved hygiene practices to a minimum of 6,500 people in at least two rural districts by 2008.

2 Looking Back – Progress and Key Shifts over the Last Strategic Period

In 2009 WaterAid conducted an extensive review of the Timor-Leste program. The review was highly participatory and involved all major stakeholders. The main findings from this review, which dealt with both achievements and constraints, are outlined below and have informed the development of this new Country Strategy.

2.1 Achievements

Although WaterAid has only been working in Timor-Leste since 2005 a number of positive achievements can be identified, and were documented by a formal program evaluation undertaken in April 2009.

- WaterAid has established a strong reputation and credibility within Timor-Leste built around its community WASH activities in Aileu and Liquica districts and its position as the only specialist WASH INGO.
- Successfully completed 15 village WASH projects in Aileu and Lautem (in partnership with Plan) and 33 in Liquica. Total beneficiaries in excess of 7,000. Strong community participation involving in-kind contributions.
- Introduction of CLTS in Timor-Leste, demonstrating the triggering process and advocating for adoption with government and other agencies, has been a major achievement. Will pursue CLTS because of cost effectiveness and fostering community empowerment. Successful promotion of the idea through study tours to Indonesia for representatives from important stakeholders
- Approach has resulted in communities with high levels of access to sanitation infrastructure, notable absence of open defecation, and awareness of good hand washing practices.
- Successful implementation of hygiene promotion, including work with schools and use of drama
- GMF management; boundary riders providing two year post-construction support and household tariff cards to record household contributions to GMF have both been effective.
- Some awareness of gender issues—meetings with groups of women and at times that facilitated their involvement; disaggregated data collection. Beginning to respond to

disability; staff member supported to undertake study tour in Australia on WASH and disability.

- Collecting data that will allow future assessment of impact with respect to sustainability and hygiene behaviour change
- Exceeded expectations with respect to learning: successful in learning from and improving project approaches and using learning to influence the sector; successful at drawing into the program international knowledge from the WA network.
- Country Strategy had set goals for influence with three significant stakeholders: government, RWSSP (AusAID funded project) and capacity building. Some successes in these areas.
- MoUs with RWSSP and DNSAS

2.2 Challenges and lessons

The program evaluation undertaken in 2009 also highlighted a number of challenges and potential areas for improvement.

Improving access to WASH

- Need to better manage the quality of programs by senior staff who are stretched to provide project supervision—particularly technical supervision—and partner development. Evaluation recommended review of organisational structure and individual workloads.
- Need to improve quality of construction, particularly burying pipe and drainage around water points, and work to ensure effective management by community.
- Greater attention to waste water drainage; don't connect tap stands until all other work in the community is completed
- Supply side of sanitation is a significant gap. Need to stimulate the private sector to meet community demand to build and upgrade toilets.
- More attention to hygiene promotion, increasing range of materials and methods and monitoring of changes in practice. National change requires strong political support and national mass-media campaigns (radio, billboards, print media and television).
- Selection of project sites that demonstrate successful approaches to working with poor communities in different geographical settings including coastal fringe and arid areas; in particular, expand WaterAid's range of water solutions to include ground water development.
- Demonstrate sustainability and quality of program work
- More work to be done to identify the main barriers to equity and social inclusion in project work

Capacity building

- Move to long-term partnership agreements for local implementing partners, support partners to access financial support from additional sources to meet their organisational development needs.
- Strengthen relationships and influence over major donor programs through increased collaboration with RWSSP and DWASH. Aims: increase government WASH budget, sector coordination and best-practice promotion of sustainability. Direct advocacy with DNSAS and MoH, particularly at the district and sub-district levels.
- Partner capacity over-estimated, impacting on quality of design and construction for water supply projects; need technical guidance and partner capacity development.
- Capacity building; needs addressing collectively at a sectoral level; within WaterAid, more deliberate focus on learning and reflective practice
- GMF federation—strengthening grass-roots voice on WASH issues
- Partners; difficult to attract and retain well qualified staff; limited access to transport, computers, office requisites (offices burned down in 2006). Move from short-term contracts (3 to 10 months) to long-term agreements that are more effective in facilitating partner NGOs to build their organisational capacity; 3 years with annual review.
- Critical to collaborate with Government decentralisation as it rolls out, collaboration with district and sub-district technical and health staff; building capacity of local government staff to become a more important objective
- Continue to forge linkages with other agencies to mutually enrich capacities and effectiveness

Organisational development

- Greater attention to the development of staff and systems within WaterAid Timor-Leste
- Pay greater attention to sector advocacy, include employing advocacy staff member
- Improved use of WaterAid's extensive knowledge network
- A more systematic approach to documenting and disseminating learning and best practice. Prioritise a small number of advocacy objectives—sector mapping, sanitation policy, budget increases and establishing federations of GMFs.
- Gender balance amongst staff policy but in practice 4/12 are women more work needed.
- M&E; limited, focus on individual activity reports by staff; nothing to date on project impact. Recommended changes to the way data on progress is managed.
- Establish WaterAid Dili office as best-practice resource centre; maintain an inventory of completed and required research.
- Undertake more budget advocacy—to encourage more government investment in WASH with priority to rural areas and sanitation

2.3 Key changes in approach and focus

- Manage program growth so that quality is not compromised; build credibility from sustainability and quality; innovate and share findings in the sector; expand geographical context to expand range of technical solutions
- Partnership development—move to long-term partnership agreements for partners; better define the roles of partners, WaterAid and communities in implementation.
- Increase advocacy activities —focus effort mainly on RWSSP including collaboration on issues of common interest; pursue three advocacy objectives – sector mapping, sanitation policy, budget advocacy and GMF Federation.
- Staff development and support—make staff and partner development a very high program priority.
- Increase integration with government especially integrating with decentralisation activities in WASH sector
- Give greater attention to learning—keep consolidated files for each community project; support advocacy through a planned approach to documentation and dissemination of learning; continue to draw on WaterAid’s global network for specialist advice.
- Equity and Inclusion – WaterAid Global Strategy places emphasis on equity and inclusion issues ensuring that the voiceless, the poor, the neglected, the socially excluded and the marginalized are able to demand and exercise their rights to inclusive secure safe water, improved hygiene and sanitation services from service providers

3 SITUATIONAL ANALYSIS

3.1 Political context

Timor-Leste has had a difficult and often turbulent history, experiencing around 400 years of Portuguese colonial rule, generally categorised as a period of benign neglect. Timor-Leste was invaded by the Japanese during World War II and an estimated 40,000 local people died during this period, especially as a result of Japanese reprisals for local people supporting Australian guerrilla troops.

Following decolonisation in 1974, Timor-Leste had a short period of independence but this was interrupted by a military takeover by Indonesia in 1975. Indonesian rule over the next 25 years was generally brutal with more than 100,000 local people dying as a result of the guerrilla war waged against the Indonesians plus general maltreatment of the population by the Indonesian occupiers. In 1999 following a change of government in Indonesia a referendum was held in Timor-Leste resulting in an overwhelming vote for independence from Indonesia. This short period was also marked by high levels of conflict and violence between groups supporting and opposing independence. On departing Timor-Leste, Indonesians looted and destroyed much of the country’s infrastructure.

Following a short period of interim UN administration Timor-Leste finally formally gained its independence in 2002. A multi party government of national unity was formed and a parliamentary democracy was instituted. In 2006 further violence erupted between opposing

groups resulting in a number of deaths, a large number of people being dislocated and further destruction of buildings and houses.

In 2007 elections resulted in the major independence party Fretilin losing power to a coalition led by key figures in Xanana Gusmao and Jose Ramos Horta. These changes seemed to enable the resolution of most of the previous conflicts however, in February 2008 a small renegade group attempted to kill both the Prime Minister and the President. Since then Timor-Leste has experienced more than two years of almost unprecedented stability and peace, allowing current Prime Minister Xanana Gusmao to coin the phrase “ Goodbye Conflict, Welcome Development “.

There is considerable optimism that Timor-Leste has now turned the corner and that it has entered a period of political and social stability. Much of this faith seems due to the high regard with which some its key leaders such as Xanana Gusmao and Jose Ramos Horta are held. However the history of many post conflict societies shows that there are often further periods of instability or “aftershocks” in the coming years. At this stage it is too hard to tell which scenario will pan out.

The country is divided into 13 Districts, with district administrators currently appointed by central government. The administrative structure also includes 65 Sub Districts, 442 villages (Sucos) and 2,225 hamlets (Aldeias). A program of decentralisation has been formulated and is being progressively rolled out.

3.2 Economic development (GDP, growth sectors, trade, external aid)

Timor-Leste has been for the most part a subsistence agricultural society with very little industrial activity or development. Eighty percent of people live in the rural areas and eke out a very modest living from growing maize, rice, cassava with some being able to grow coffee in the higher elevations. There is very little development of irrigation, so incomes are relatively low. Indeed a significant amount of rice is currently imported to help cover the production gap. The lack of local industry means that most manufactured items are imported, especially from Indonesia.

In 2004 the domestic (non oil) GNP was only \$319million and in 2010 the non oil income was only \$700 per person. However Timor-Leste has significant oil and gas deposits which are now producing revenues of approximately \$2,000million/year, (depending on prevailing prices) meaning that oil revenue makes up approximately 70% of the national income. According to the government the total projected income from oil by 2030 will be \$4.5 billion. It is still somewhat unclear how much oil reserves are exploitable but learning from other countries, the government plans to only spend the “Estimated Sustainable Income “, essentially using the interest gained through investing oil income on its national budgeting. In general it would seem there the government has access to a significant and sustainable source of funds which it can use to invest in the development of the country.

Over the past few years the non oil economy has achieved close to double digit growth rates said to be stimulated by significant increases in public expenditure.

The government recently released the “Timor-Leste Strategic Development Plan 2010-2030, which outlines a vision of Timor - Leste becoming a middle income country by 2030 achieved by significant investment in the development of local capacity through education , large scale investment in agriculture and infrastructure as well significant stimulation of private enterprise including the development of a strong tourist industry . The plan may be considered optimistic

given the low starting base, especially in relation to the lack of skilled local human resources. On the other hand it may also have the effect of inspiring the population to believe that a relatively rapid path out of poverty is possible.

In addition to its own resources Timor-Leste also receives significant international donor support. Major donors include Australia, Portugal, USA, China, Japan, Korea, European Union, ADB, and around 50 INGOs. Total donor figures are not available, although AusAID intends maintaining an expenditure of approximately AUD\$120million per year.

3.3 Social development (per capita income, human development indicators, poverty dynamics)

As outlined above the average per capita income is approximately USD\$700 per year.

The latest UN Human Development Index ranking (2009) for Timor - Leste is 162 out of 182 countries making it one of the twenty poorest countries in the world. Average life expectancy is 60 year and the adult literacy rate is 63%.

Approximately half of the population lives below the poverty line of USD\$0.88 per person per day. Three quarters of those living below the poverty line live in the rural areas and food insecurity affects 80% of households in some districts.

Poverty is generally endemic in the rural areas. Most poverty analysis cites the level of poverty increasing from east to west, urban to rural villages and from lowland to highland areas. To date, analysis of the available Timor-Leste Standard of Living Survey data only desegregates by region and Oecussi stands out as the poorest of the regions across most indicators. Women are also particularly vulnerable in Timor-Leste with higher incidences of illiteracy, malnutrition and lack of access to paid labour markets.

There is very little data existing on disability in Timor Leste, but previous surveys indicate that less than two percent of the population suffer from a disability. Globally, people with disability comprise an estimated ten percent of any population, so it seems that the current figures in Timor Leste are understated. The 2010 population census should reveal more accurately the disability situation in Timor Leste.

Timor-Leste is considered to have a low level epidemic, with a national HIV prevalence of less than 0.1%, according to the UNGASS 2010 Country Progress Report. Since 2003 that has been a total of 151 cases of AIDS reported and 20 AIDS deaths reported, these were predominantly in Dili.

3.4 Major challenges and trends (natural resources, population growth, urbanization, climate change)

Given the seemingly positive long term income from oil and gas, it should be possible for Timor-Leste to make significant inroads into elevating its people out of poverty. However its low levels of skills and education mean it will take some time before it is able to effectively utilise the opportunities access to financial resources are able to offer. Given the high levels of unemployment especially with youth there are potential threats to stability through people not feeling progress is sufficiently fast enough?

In addition there is the long term issue of whether the internal economy can be developed to achieve self sufficiency in food, and if there can be integration into the regional /global economy such as through tourism and industry.

The current population of approximately 1.1 million is reasonable given the size of the country but the population growth rate is very high at 2.5% and this represents a threat to both the economic growth rate and the environmental sustainability of a much larger population.

Ecologically Timor-Leste is considered fragile. Its soils are not very fertile and its geology and geography make water runoff from rocky steep slopes potentially destructive, especially if global warming results in increasing extreme weather events. Water resources are currently adequate but high runoff, low infiltration rates and long dry seasons increase potential vulnerability especially for any large scale irrigation development. Deforestation is also prevalent and much of the local flora is degraded and vulnerable. Investment in reforestation could be a good long term investment and provide income and employment opportunities.

In most of the world urbanisation is a growing trend, and urban drift is a significant factor in Timor-Leste, especially in Dili as there is little employment or infrastructure in many of the other District centres. This creates a need to address issues like land use planning, employment and delivery of services. However as by far the greatest poverty is still in the rural areas it is considered important that any extra attention to urban poverty doesn't draw attention and resources away from the needs of the rural population.

4 Overview of current WASH status

There is usually very little reliable data on national water and sanitation coverage in developing countries. There has been no recent nationwide data collected on water and sanitation coverage in Timor-Leste. This makes establishing baselines and then setting MDG and national planning targets problematic.

The Joint Monitoring Program (JMP) set up by UNICEF and WHO to “estimate” water and sanitation coverage for MDG measurements usually relies on either a form of sampling or data and projections from other surveys, which can give inaccurate information but are often the best estimates available.

In Timor –Leste the latest JMP estimates are presented in the table below:

	Rural	Urban	Total
Water - coverage %age	56	77	62
Sanitation - coverage %age	32	64	41

These figures are based on some sampling surveys undertaken in 2002 and a demographic health survey undertaken in 2003. The 2008 estimates appear to be “projections “based on the 2 studies.

WaterAid's experience in Liquica is that most of the villages have less than 10% sanitation coverage and our estimate is that district percentages are more likely to be around 30% for water coverage and 15% for sanitation. The only comprehensive rural water and sanitation

coverage studies were done in 4 districts (described below) and they closely reflect WaterAid own experience. A critical area seems to be that government figures tend to include all water systems built whereas functionality is currently running at about 50%.

Timor-Leste's National Development Plan, prepared in 2002, commits the Government of Timor-Leste to improving access to water, sanitation and hygiene services. It set the ambitious objectives of providing 'safe' water to 100% of urban households and 80% of rural households by 2020 and for centralised sewage systems to be established in all urban areas. These aims exceed the Millennium Development Goals targets which would see access to services across the country increase to 72% for potable water and 60% for improved sanitation. Achieving these targets, however, remains challenging. Water supply and sanitation in Timor-Leste is characterised by low rates of access, particularly in rural areas. Existing coverage rates and reported by different agencies vary somewhat but the demand for increased services is clear, particularly in rural areas, as set out in the following table.

Table 1 Coverage needed to meet the MDG targets

	Rural water target	Urban water target	Rural sanitation target	Urban sanitation target
MDG target	75%	86%	55%	64%
Existing coverage (range)	45-58%	60-82%	20-39%	62-77%
MDG coverage target (population)	774,500	280,400	567,900	208,700
MDG deficit (population, worst case)	385,340	116,400	394,940	39,700

Following a pattern adopted during the UN administration between 1999-2002, there has been a strong division between approaches to meeting the needs of urban and rural communities in Timor-Leste, driven largely by water legislation. The responsibilities of the Government for providing potable water are set out in Decree-law no. 4/2004 'Water supply for public consumption'. Whilst the Government retains overall responsibility for ensuring access to potable water, this law distinguishes between provision of services in urban and rural areas. According to the law, the National Directorate of Water Supply and Sanitation (DNSAS) is allocated the task of managing the provision and maintenance of water supply services in 'urban' areas—i.e. Dili and the principal towns in each of the other 12 districts. In rural areas the task of managing water supply systems is delegated to the community, either to formally constituted water management groups (GMFs) or informally through whatever structures a community may adopt. The following sections consider WASH separately for rural and urban areas. Levels of service and the service delivery mechanisms for rural and urban areas.

4.1 Rural WASH

Much of the recent rural water supply and sanitation infrastructure constructed in Timor-Leste has to date been funded by international donors. As of 2009, donor funding for rural WASH was much greater than that allocated by the government. Neither DNSAS nor (in most cases)

international agencies implement rural water supply or sanitation projects directly with communities. DNSAS generally contracts this work out to private contracting firms and more recently, also to local NGOs. The implementation of donor/INGO projects is also contracted to local WASH NGOs. For rural systems—where communities are expected to manage and maintain their own infrastructure—this implementation requires both community mobilisation skills as well as construction management skills.

Water supply.

Rural water supply systems in Timor-Leste vary greatly in size and complexity. Some involve gravity-fed piping networks that extend many kilometres over several *aldeias* (hamlets) or *sucos* (villages). Other ‘systems’ consist of a hand-dug well used by as few as one or two households. Consequently, there are thousands of rural water supply systems being operated and a wide range of technical knowledge and costs associated with their operation and maintenance.

The government guidelines for rural systems prefer the use of gravity-fed piped schemes wherever possible. The current guidelines recommend avoiding water pumping. Many hand pumps, however, are evident throughout the country with several donor programs installing handpumps. Solar PV pumps are also becoming increasingly popular for donor-funded schemes and some INGOs have installed hydraulic ram pumps. Rainwater harvesting, whilst incorporated in the government guidelines, is uncommon.

The service level set in the national guidelines for rural facilities is 30-60 litres per person per day with water points located within 100 m of all households. Given the low population densities occurring in much of rural Timor-Leste, however, meeting the 100m criteria is frequently challenging. Rural communities are tasked carry out their own operation and maintenance of rural water supply infrastructure. DNSAS guidelines recommend the formation of a Water User Group (*Grupo Maneja Facilidade*—GMF) to collect user fees to fund ongoing maintenance, carry out or arrange repairs, and ensure equitable access to services. In practice, this approach to community-management of infrastructure has not been overly successful and rural areas have large numbers of non-functioning water supply systems. District assessments of rural water supplies in Covalima, Aileu, Lautem and Manatuto by the international NGOs Oxfam, Plan International and Triangle found that as many as 70% systems were non-functioning or poorly-functioning due to inadequate maintenance as little as a year after commissioning.¹ This situation although perhaps chronic in Timor-Leste is however common in most developing countries. In general best practice indicates that water committees require some external support such as through government or local private enterprise service providers.

There are very few engineers or water supply technician in Timor-Leste capable of and allocated to the design of rural water supply systems. These staff currently exist in DNSAS, donor programs (DWASH, RWSSP, and UNICEF), several INGOs, and a small number of local NGOs. For government funded activities, all rural projects are designed in Dili by three staff in the DNSAS Planning and Development Department.

Sanitation.

The upper end of the coverage range indicated in table above is from the Timor-Leste Standard of Living Survey (TL-SLS) which did not assess whether household latrines met the definition for improved sanitation nor distinguished between access to a household latrine or use of a shared facility. The recent Plan Timor-Leste survey in Aileu and Lautem districts found a much lower rate of latrine ownership by rural households (16% with a pour-flush latrine and 4% a pit latrine). Coverage estimates used by AusAID's RWSSP and presented in the 2007 WASH Sector Investment Plan are even lower than the Plan report suggests—approximately 10%. This correlates with WaterAids experience in Liquica District.

Government guidelines promote on-site sanitation through the use of wet or dry latrines. Both government and donor agencies in the past have adopted a subsidised approach to sanitation where households are provided with materials to build toilets. Cost estimates for subsidised latrines range from \$100 to \$300. WaterAid and some of the other international agencies discourage the subsidisation of sanitation infrastructure and have instead adopted the Community-led Total Sanitation CLTS approach. A draft national sanitation policy was prepared in 2010 and makes provision for CLTS. At present, however, there is no agreement in Timor-Leste about whether the subsidised or non-subsidised approach will be most effective in the long-term. WaterAid is actively engaged with the government and RWSSP in finalising the national sanitation policy which is expected to be completed by the end of 2010.

The approach adopted for improving access to rural sanitation will not only determine the likely unit costs (and hence the investment required to meet the MDGs) but will also have a strong bearing on which government agency bears responsibility for rural sanitation. DNSAS senior staff see a role for their agency where sanitation infrastructure is being constructed but are open to the idea of sanitation and hygiene promotion being delivered by MoH staff. If the sanitation policy makes rural households responsible for their own sanitation infrastructure, it is likely that DNSAS would manage setting of policy and standards at a national level and the MoH would play a significant role at the sub-national level.

Hygiene.

There is no national-level data currently available that provides a 'coverage' estimate for hygiene awareness in rural Timor-Leste nor on behaviour, particularly hand washing with soap or soap substitutes. It is plausible that somewhere in the range of 10 to 30% of rural communities have received some form of WASH-related hygiene training since 2002, either from NGOs or MoH staff. The quality, extent, and effectiveness of this community hygiene promotion requires further investigation

From the government, hygiene promotion occurs through mechanisms overseen by both the MoH and by DNSAS. The MoH extends primary health care—including environmental health promotion—into rural areas through mobile clinics operated under the SiSCA (Integrated Community Health System) program. The SiSCA program pairs professional health workers with volunteer Family Health Promoters (PSF) in each hamlet. In contrast, DNSAS support centres on integrating hygiene education into infrastructure building activities. Where a community is supported to construct a new water supply system or household latrines, a hygiene campaign is required to be carried out focussing on five key hygiene messages (using latrines, handwashing, potable water storage, fencing animals, and eliminating mosquito breeding sites). Health promotion staff from the implementing (local) NGOs carry out this hygiene awareness raising, which includes training the GMF. This hygiene promotion is more

intensive than that provided through SiSCA but only occurs in those communities in which infrastructure is constructed.

In general most programs delivered via local NGOs include a hygiene component but what tends to be assessed is how well people understood the messages not actually evidence of practicing behaviours, such as handwashing with soap. International experience suggests a take-up of only around 20% with health focused hygiene promotion. Recent best practice research suggests a social marketing approach may be more successful.

4.2 Urban WASH

Expenditure on urban WASH since independence has generally equated to support for urban water supplies. Very little attention having been given to sanitation or hygiene promotion in urban areas. Between 2000 and 2007 donors funded approximately \$55 million worth of investment in urban water supply. The current major donors to the urban sector are the Japan International Cooperation Agency (JICA) which has supported the rehabilitation of intakes and primary distribution networks in Dili and the district capitals of Ainaro and Same; and the Asian Development Bank (ADB) which is funding the Dili Urban Water Supply Sector Project (DUWSSP) and the associated Dili Water Supply Performance Improvement (DWSPI) activity.

Water supply.

Water supply networks that are considered 'urban' in the Timor-Leste context operate in Dili and in the capital towns of the twelve other districts. Of the total urban population of approximately 260,000 people, about 60% live in Dili in approximately 28,000 households. The Dili water supply is reported to have sufficient capacity to meet Dili's present needs and the primary and secondary distribution networks to be in good condition. Much of the tertiary distribution network in Dili, however, is in poor condition and many of the approximately 20,000 connections receive water only 10 to 16 hours per day. Leakage rates are high, low pressure is common and customer complaints regarding lack of service are frequent, particularly towards the end of the dry season (September – November). Consequently, residents are often forced to rely upon other sources of water such as shallow boreholes, wells, springs, and rivers. These sources, particularly shallow wells, are often highly contaminated and in many cases cannot be classed as 'improved' water supplies. Few connections are metered and cost recovery is very low—non-revenue water is estimated at 96% of the total volume produced

Each of the district capital towns also has a piped water supply network. These involve a variety of different abstraction technologies including boreholes, stream or spring intakes, and river infiltration galleries. The rate of household connections for these systems ranges from 26% to 77%. Additional households are likely to access these piped networks from either public taps and/or neighbouring households. District urban systems presently provide raw water to consumers, treatment equipment including disinfection being inoperable or having been bypassed.

Sanitation.

The TL-SLS figure for urban sanitation coverage (77%) suggests that urban sanitation is the one WASH-related MDG that Timor-Leste has already met. Other studies, however, suggest much lower figures, particularly in urban centres outside Dili. In urban centres, however, access to a latrine is not the only difficulty confronting households. Disposal of sewage, particularly in more densely populated Dili, presents considerable difficulties. There are no sewerage systems in Dili or any of the district capitals and so all sewage treatment is on-site, in septic tanks or leaching pits. Many parts of Dili have a high water table, particularly in the central areas such as Caicoli. Consequently, ground water is highly prone to contamination due to inadequate sewage disposal from pit latrines or effluent from septic tanks. The lack of urban sewage treatment is already of considerable concern and will be a growing problem as urban populations continues to swell. Treatment ponds for septic tank waste operate in only three locations—Dili, Baucau and Suai—the effluent from which is discharged with only minimal treatment into the ocean or nearby waterways.

Hygiene.

NGO WASH activities to date in Timor-Leste have focussed on rural areas. Consequently, only the MoH hygiene promotion activities, as described above, support hygiene awareness raising in urban areas. There is an absence of readily available information about WASH related hygiene behaviour in urban communities.

5 Rights, Equity and Inclusion analysis

5.1 Marginalised and vulnerable groups

As noted above (section 3), Timor-Leste has the highest rates of poverty in Asia and poverty is more acute in rural than urban areas. Hence, WaterAid's rural-based WASH program has high levels of inherent pro-poor targeting as we work in rural areas. Nonetheless, in all rural communities there households that are more marginalised and vulnerable than others such as female-headed households, those where illness, injury or old age has resulted in an inability to work, and those facing acute poverty for other reasons. An Oxfam study of gender inequality in Covalima found that rural villagers saw vulnerability and poverty as indicated by the presence or absence of a family network – not surprising given that the family network provides the social safety net in Timor-Leste.

Whilst there are different ethnic and linguistic groups, rural communities usually consist of a homogenous ethnic group. In Timor-Leste, neither WaterAid nor its partners have observed discrimination within communities on the grounds of ethnicity or religion. The political tensions that resulted in the crisis in 2006 operated on east-west divisions on a national scale and seems to now have little bearing on how WaterAid and its partners go about work with rural communities.

Gender equality

As in other countries, women bear a disproportionate burden with respect to WASH. Women suffer most the dangers and inconvenience associated with a lack of privacy for sanitation,

manage illness for children and other family members suffering WASH-related diseases and are typically responsible for the collection, storage and use of water for domestic purposes. Women's participation in all aspects of WASH implementation is essential to sustainability. To date in Timor-Leste, women have been primarily engaged in unskilled, unpaid labour for infrastructure development and as the treasurer in Water Management Groups (GMF).

Gender Equality is core to the stated development agenda of the Timor-Leste government and existing mechanisms such as the Secretary of State for Promotion of Equality (SEPI) and the Ministerial Gender Focal Points (GFP) are committed to provide the required leadership. A shift in gender balance within the WASH sector is required in order to give women the opportunity to participate at all levels. WaterAid will strive to support and promote this shift in our advocacy, work and organizational culture for we know that - in the words of the WSSCC report on women and rural water supply, sanitation and hygiene – For Her it's the Big Issue.

This is certainly the case in Timor-Leste. The collection of water is largely the responsibility of women and children, though the men assume the responsibility when the woman is sick or has recently given birth, and at times during the rainy season when conditions are considered more dangerous. Globally it is found that women are more interested than men in improved sanitation facilities. The issues of privacy, security and improved hygiene both in general and related to reproductive processes are more important for women than for men. Anecdotally, this is the same in Timor-Leste, though there are no definitive studies to support this. Globally it is also recognised that hygiene education is an important part of women's maternal role in the household where women are largely responsible for the health and hygiene of the children. In Timor-Leste anecdotally, this contention is supported, however there has been no definitive study about hygiene-related behaviour in Timor-Leste to date.

In mid 2010 WaterAid began a year long project action research into gender outcomes with the International Women's Development Agency (IWDA). At the time of writing the analysis was indicating that our work in Timor-Leste was impacting women's practical and strategic needs. Although there remains a lot of work to do, it is encouraging to see that our work was having a positive impact women and girls.

In the last strategic period WaterAid Timor-Leste gender guidelines were developed and staff and partners received gender training and refresher training. A gender focal point was appointed.

In this strategic period building on the result of the gender research and partnership with IWDA we will prioritise gender equality in all our work in Timor-Leste. A gender mainstreaming action plan will be developed and will include elements such as further capacity building and support of all staff, partners and the gender focal person, focus on our monitoring and evaluation, strategic partnerships with gender focused agencies, and liaison and coordination with the GFP and the RWSSP gender advisor.

Children and school WASH

For children, the gendered nature of WASH burdens occurs at schools as well as in the home. It is uncommon to find adequate, well-maintained toilets at rural schools in Timor-Leste. In 2010 WATL signed a MOU with ChildFund to work together on school WASH and WATL will develop a school WASH program in this strategic period building on the experience of PLAN, ChildFund and WaterAid's other Country Programs. School WASH infrastructure (and school infrastructure generally) is also a barrier for children with disabilities. In our school WASH activities we will ensure the program promotes inclusive infrastructure and inclusive education.

Particularly for adolescent girls, the absence of WASH infrastructure including menstrual hygiene facilities is a considerable barrier to attending school. WaterAid in Timor Leste has recently begun action research into attitudes and practices to menstrual hygiene and in the new strategic period will be designing a project to address this important issue and promote awareness of it to the sector in collaboration with RWSSP.

Disability

Timor Leste is not a signatory to the UN Convention on the Rights of Persons with Disabilities however many of its principles, for inclusion of people with disability, are strongly imbedded in the Constitution. As discussed in section 3 there is very little data existing on disability in Timor Leste. Globally, people with disability comprise an estimated ten percent of any population, so it seems that the current figures in Timor Leste are understated but WaterAid Timor-Leste does not need statistics to convince us that our work should be disability inclusive. We know that disability is both a cause and consequence of poverty. People with disabilities are not only the most deprived in the developing world, they are also the most neglected. Women and children with disability often face the greatest barriers. WaterAid in Timor-Leste has already undertaken some activities to work on disability inclusive WASH. A disability focal person has been appointed and she and our local partner participated in an AusAID funded Australian Leadership Award with 6 other participants from Timor-Leste. They have been working to implement their lessons learnt and share their knowledge gained with other staff and the sector more generally. In 2010 3 staff have participated in the Equity and Inclusion E learning with WEDC and the WaterAid Sanitation Supervisor participated in the E&I technical training in Ethiopia.

These activities have given the WaterAid in Timor Leste staff awareness and skills to begin the journey of ensuring our program is inclusive. This work will be continued in this strategic period as we work to our goal of becoming champions of inclusive WASH.

Implementing the WaterAid Equity and Inclusion framework

WaterAid in Timor-Leste is committed to building staff awareness and capacity to mainstream equity and inclusion in policies & procedures, program design, implementation and PM&E, advocacy and communication, to building partners' expertise and building partnerships that focus on working with vulnerable or marginalised groups.

5.2 Constraints on duty bearers (government) and rights holders (communities)

Capacity constraints exist at many levels in Timor-Leste's WASH sector. The most critical of these are discussed below.

Community Management Groups. The legal framework for domestic water in Timor-Leste sets a distinction between urban and rural provision and requires the government to support urban water supply systems but leaves rural communities to manage and maintain their own systems. Consequently, community water facility management groups (known as GMFs from the Tetun acronym) are highly important duty bearers in the Timor-Leste context. It is common for a GMF to be formed where an NGO has supported a community to construct or rehabilitate a water supply system. Such groups, however, face a number of challenges. They are rarely recognised formally by the local government and hence generally have limited ability to influence the behaviour of community members; collection of funds for maintenance is often inadequate and ad hoc; many spare parts are only available in Dili; few GMF members have the technical skills and tools to diagnose and repair problems with gravity water supply schemes or pumps; office bearers generally have limited education (often only primary school level) and receive little training or support to carry out their responsibilities. As a result of these multiple challenges, community management is often unsuccessful in Timor-Leste. A recent study by Plan International in Aileu and Lautem found that community management was the most common cause for water supply systems failing. WaterAid's experience in Liquica supports this finding. WaterAid has started to form federations of GMFs for mutual self support but to also start to engage with government to give voice to communities WASH needs, especially support with operation and maintenance of WASH facilities.

District Government. Whilst the legislation restricting government maintenance support to urban systems still stands, in practice DNSAS in several districts has started to provide support to rural communities. Nonetheless, DNSAS offices have very few staff at a district level, with no more than 12 and as few as six staff. Of these, very few have design skills or formal technical training and only one is dedicated to rural WASH. Rural staffing was recently supplemented by recruitment of sub-district facilitators and these staff are expected to make a significant contribution to community management of water supply systems in the coming years. Effectiveness of the few DNSAS staff in each district is further constrained by a lack of budget and transport to move beyond the district capitals. DNSAS teams generally only have one vehicle (which can only be serviced in Dili) and a discretionary operational budget of \$250 per month (which equates to an average of less than \$1 per person per year to maintain all water supply systems outside the Dili). There is no specific allocation for minor capital works in the districts within the DNSAS budget. Where maintenance is carried out, district staff have to request the necessary materials from the DNSAS warehouse in Dili. The decentralisation of government services that is currently evolving in Timor-Leste may lead to a great allocation of resources for SAS teams in the near future. Some staff are also receiving technical training either in Indonesia or in Dili. These changes, however, may not have a major impact on services to rural communities since the demands from urban consumers will remain the most immediate and operation and maintenance of urban water systems are likely to absorb the bulk of district DNSAS capacity.

At the district level, environmental health and health promotion responsibilities are allocated to the District Public Health Officer. There is an intention that within the next few years the MoH will engage one Sanitarian to work in each of the country's 65 sub-districts to promote sanitation. To date, five Sanitarians have been recruited and have been allocated to several

community health centres and district hospitals. Despite there being MoH staff with responsibilities for sanitation, DNSAS has played a stronger role to date than MoH in setting standards for sanitation and monitoring/endorsing donor sanitation activities.

For hygiene promotion, district and sub-district based staff of the Ministry of Health are the prime duty bearers from district government. The MoH staffing and program structures extend services right down to the *aldeia* level (the hamlet, or sub-village level) well beyond the reach of DNSAS. The MoH operates Community Health Centres for each sub-district and Health Posts in 175 of the country's 244 *sucos* (villages). The health system extends into *aldeias* through mobile clinics operated under the MoH SISCa (Integrated Community Health System) program. SISCa engages volunteer Family Health Promoters (PSFs) as the link between communities and the MoH services. Whilst this approach gives MoH good reach into communities the PSFs receive minimal training and support, are responsible for the full range of MoH programs and as volunteers have a limited amount of time available for work in their communities. These factors constrain the capacity of the PSFs to take on additional work such as WASH-related hygiene promotion.

National Government. Government responsibility for WASH at the national level is shared between the National Directorate for Water and Sanitation (DNSAS), which sits within the Ministry of Infrastructure under the Secretary of State for Water and Electricity, and the Ministry of Health (MoH) which has departments for environmental health and health promotion. For DNSAS the principal constraint is staffing capacity. DNSAS has few staff relative to the comparable utility during Indonesian administration. As of 2009, DNSAS had just under 300 staff, almost half of whom are based in Dili. Only five of these staff have WASH-related degrees—three engineers and two public health specialists. Ten other staff hold bachelor degrees in areas such as business administration and economics. There are no staff with post-graduate degrees. Compounding the constraint on numbers of staff and educational background, very few staff held senior management roles prior to independence and the management team are developing their leadership and policy development skills on the job. A 2009 survey by DNSAS in conjunction with AusAID's RWSSP found that many staff have a limited understanding of their role within the organisation and believe that their work environment (resources, management, systems, etc) inhibit their performance. The Capacity Building Adviser for AusAID's RWSSP believes that there is a missing layer of senior management within DNSAS directly below the director and that the absence of the necessary senior staff at this level is the major constraint to policy development.

Within the MoH Directorate for Community Health, two departments have responsibility for WASH-related activities. The Department for Environmental Health (DEH) holds responsibility for promoting sanitation and at the national level; DEH has four program units—vector control, water quality, sanitation and hygiene, and food security—with one or two staff in each unit. The Department of Health Promotion is responsible for promoting behaviour change to improve health, including hygiene education. To date, these departments have had limited influence over programs at the district or sub-district level. AusAID's RWSSP has advisers working in each department to support generation of policy and guidelines and to support capacity building. As a consequence, in the medium term these departments may become important drivers of policy within the sector despite their relatively limited influence at present.

Three other ministries finance WASH-related activities. The Ministry of State Administration and Territorial Management (MSATM) indirectly fund WASH construction through its provision of small community development grants in eight districts. The Ministry of Economy and Development (MoED), through the Rural Development Directorate, provides rural development grants for which improved water supplies is a commonly requested form of assistance. The

Ministry of Education incorporates health and hygiene messages in the curriculum presented in its weekly 'school health day' program and plays a role in ensuring that schools are provided with access to adequate water and sanitation facilities. As WASH duty bearers, the principal constraint for these ministries is an absence of skilled staff with WASH-specific training. This limits the effectiveness with which each ministry can execute WASH-related expenditure.

Implementing partners (NGOs and private sector). A recent WASH HR capacity study for Timor-Leste identified 28 NGOs conducting WASH activities—22 national NGOs and 6 international NGOs. The national NGOs have a broad range of skills, resources and abilities. Few, however, are capable of designing rural water supply systems making for a heavy reliance on the assistance of international expertise from agencies such as WATL. Good implementing partners are in high demand in Timor-Leste and there is more funding available than good quality partners available to carry out implementation. There are a large number of private contractors pre-qualified by the government to work on WASH projects. Experience with these contractors, particularly in spending funding for the Local Development Program, has been disappointing and indicated that the private contractors overestimate their capacity to carry out WASH work, particularly community mobilisation. There are very few engineers and technicians amongst local NGOs and contractors forcing a heavy reliance upon international staffing assistance. The fluctuating level of funding directed to the WASH sector compounds the difficulties faced by implementing partners resulting in ongoing flux within the sector with agencies moving in and out of WASH. Provision of sanitation hardware and technical advice is also a constraint within the sector. Where communities become motivated to invest in improved sanitation there are very few organisations to whom households can turn for support.

Schools. Ministry of Education is responsible for building and maintaining toilets and water supplies in schools. This is a critical area for retention of girls especially when they reach puberty and start to menstruate. However as in most developing countries there is often little budget for water and sanitation and typically none for operation and maintenance, resulting in water and sanitation systems quickly falling into disrepair and non use.

Engagement between rights-holders and duty bearers

The capacities of both rights-holders to claim their rights and duty bearers to deliver WASH services is slowly developing. The constraints detailed above, however, work to limit the effectiveness of this engagement, as summarised below.

- *What are current capacities and opportunities for individuals and community-based organisations to claim their rights directly, and to participate in the planning, implementing, monitoring, and evaluation of WASH programmes? To what extent do existing WASH interventions use approaches that empower right-holders, for example, women as agents of change rather than passive service users?*

For those WASH programs delivered by Timorese NGOs there exists good scope for communities to engage strongly in building or rehabilitating their own water supply systems and sanitation improvements. CLTS, which WaterAid uses to promote sanitation, is highly empowering of communities and establishes a clear sense of responsibility and opportunity within participating communities. For water supply improvements, the Community Action Planning process uses a range of PRA tools to create a rights-based environment that aims to put communities at the centre of each initiative.

Claiming rights directly, however, remains difficult in Timor-Leste. Constraints on government capacity, particularly finances and human resources, mean that government is usually unable to meet their obligations as duty bearers. Moves towards decentralisation of service provision may improve this situation in the coming years as resources are moved closer to communities where government is likely to be more responsive. Project-based mentalities associated with outsiders 'giving' water to the neediest communities and subsidising household sanitation work against

the rights-based model that WaterAid seeks to pursue. This is difficult to overcome since donors, INGOs and their local partners retain power in their relationships with communities and dispense largesse according to their own criteria. There is potential for WaterAid to work harder at mobilising existing community resources for simple water supply improvements (just as CLTS does for sanitation) before providing external assistance to build or renovate schemes. This approach would foster community capacities to claim their rights.

- *To what extent are the rights of the most disadvantaged and marginalised people within households and communities recognised in program?*

As elsewhere, women in Timor-Leste are recognised as bearing the greatest WASH burden but holding the least power over making changes. The importance of engaging women in WASH programming, from community planning through to O&M, is widely acknowledged by both civil society and government in Timor-Leste and written into formal policy and guidelines. The gender power imbalance in Timorese communities, however, means that many agencies still struggle to support genuine engagement by women in their WASH programs. It is often difficult to move beyond a position where women representatives reflect their own aspirations rather than those of more powerful men (whether in the community or in the household). The participatory gender reflections currently being trialled by WATL in Timorese communities suggests that WASH activities do indeed create opportunities for communities to improve equality of gender outcomes and supports continued efforts in this direction.

More work needs to be done in the sector on addressing the rights of those with disabilities within WASH programs. The recently drafted National Disability Policy provides a platform to improve the focus on disability within WASH. This can commence with simple measures such as working with communities to identify disability within their community and engaging community members with disabilities throughout the planning and implementation processes. Agencies also need to collaborate more frequently with disabled people's organisations and work towards ensuring universal access within standard designs. School WASH infrastructure is an obvious area in which to commence this work.

- *What is the capacity for local authorities to help develop plans for WASH service delivery which can be financed by national government and donors?*

Whilst Timor-Leste has one of the highest rates of poverty in Asia, its small population and reserves of oil and gas mean that there is good potential for national government to finance WASH improvements on a meaningful, national scale, particularly when combined with high levels of per capita development assistance from donors. There are two difficulties for duty bearers in capitalising on this potential. Firstly, funding for the sector fluctuates dramatically depending on government priorities for spending on other types of infrastructure (such as roads and airports). Hence planning for expenditure within the sector is often rushed in response to dramatic changes in available funding and short-term. This difficulty is combined with weak capacity for government to execute its annual budget which across all sectors is generally significantly under spent. These difficulties create openings for agencies such as WATL to

support the local authorities (DNSAS and MoH) to lobby for sustained, adequate funding for WASH priorities and to work closely with these agencies to build their capacity to execute their budgets.

- *To what extent are developing country governments effective in articulating their needs to developed countries and ensuring appropriate targeting of technical and financial assistance under the international aid system?*

Dealing with many donors is a significant burden for the few senior staff within DNSAS (and to a lesser extent MoH DEH and DHP). Whilst the capacity of senior staff to engage with donors is steadily improving, such are the size of donor programs that their resources far outweigh those the government has to manage the sector. For the rural WASH sector, within which WaterAid is most active, AusAID's RWSSP engages most influentially with government and has full-time advisers located both within DNSAS and MoH, DEH and DHP. The role that RWSSP plays in supporting policy development make that program a central player in the development of rural WASH policy. Consequently, in seeking to influence policy an agency such as WATL is likely to increase its impact by engaging with RWSSP (and other major donor programs) in addition to direct communication with DNSAS and MoH

6 Sector review

National Development Plans

In terms of overall government strategy at the national level there have been a number of different plans developed over the few short years that Timor-Leste has been independent. In some of these plans WASH has received more priority than in others and in general the government has created "annual priorities", which has meant that some years there has been strong prioritisation of WASH and in others almost no capital funding at all. This inconsistent investment in WASH has hampered sector development.

However this approach has recently changed with the release in April 2010 of "Timor-Leste's Strategic Development Plan 2011-2030" (SDP) This ambitious and visionary plan outlines a "Framework for Action" with which includes a section on "infrastructure investments", with the following statements:

Rural areas need to be supported with local projects to protect water supplies and provide more sanitation facilities. Urban areas, and notably Dili, need urban development plans to promote city wide water and sanitation systems ..."

While this is a very positive announcement, unfortunately there is no mention of WASH in the "Public Investment Plan or the Public financing to 2015" sections. This may be an oversight but possibly reflects the under prioritisation of WASH that is experienced in most developing countries, and highlights the importance of WaterAid playing a much more active advocacy role.

Another aspect of the SDP is that it covers so many sectors and has very optimistic objectives in each of these sectors. Recent lessons learnt reports suggests that newly emerging "fragile states" are more likely to be successful if they confine their plans to a more limited number of achievable objectives. However it may be that Timor-Leste has some comparative advantages (such as oil resources and good national leadership) that make the governments vision more achievable.

Sector policy/strategy

In the early years the government had separate Sector Investment Plans for each ministry and sector. However in 2008 the government developed (with significant assistance from RWSSP) the “Timor-Leste Rural Water, Sanitation and Hygiene Sector Strategy 2008-2011”, which provides a high level description of approaches and roles and responsibilities of the various sector actors. While not a detailed implementation plan backed up by proposed investments it successfully integrates water and sanitation and importantly brings together both the Ministry of Infrastructure and Ministry of Health as joint duty bearers (and is signed by both Ministers).

Sector coordination

In general there seems to be good sector coordination, although it is a challenge to keep up with all the developments in the sector. There are regular sector coordination meetings between government (mainly DNSAS and MoH), the major donors (such as AusAID/RWSSP, USAID/DWASH), major WASH INGOs (such as Plan, WaterAid, Oxfam, Triangle, Red Cross) and local WASH NGOs.

However there continues to be some lack of communication between DNSAS and some INGOs, as DNSAS say they don't always know what INGOs are doing and haven't the resources to monitor (and record) everything that is happening. There is still some uncertainty about the differing roles of DNSAS and MoH in relation to rural sanitation.

Sector finance

In theory there should be adequate financial resources in the sector to more than match the current local delivery capacity for rural WASH. The AusAID supported RWSSP is the key donor in the rural WASH sector, reportedly looking at a 10 year timeframe with possibly a \$30million budget. This has made RWSSP the governments' key adviser and supporter, making them of key importance to WaterAid for advocacy activities. USAID is supporting DWASH again with approximately \$18million over 5 years. INGOs are providing several million dollars a year and this looks likely to continue. In 2009 there was minimal government allocation for capital expenditure in rural WASH, but this has been rectified in 2010 with \$11million from DNSAS. A key challenge will be to encourage the government to sustain and increase its investments, and this is a target for WaterAid's advocacy strategy.

Institutional arrangements and capacity

While there is still some overlap between DNSAS and MoH in relation to rural sanitation, this is likely to be resolved over time and should not greatly inhibit progress being made. Another area of some concern is that DNSAS still subcontracts some of its water systems constructions to private construction companies, which results in minimal community engagement and ownership, which has been shown worldwide to result in system failure due to a lack of operation and maintenance. There needs to be a review of this process to address this problem. It may be that INGOs and local NGOs can somehow be grafted into the process so systems can be sustainable. Again trailing options could be useful.

However the greatest fetter to rural WASH in Timor-Leste is without doubt the lack of local capacity at government, NGO, private industry and community levels. It has been well documented that during Indonesian rule most of the skilled positions requiring higher education

were undertaken by Indonesians and that approximately 7,000 of these people left with the retreating Indonesian army in 1999. It will take time for local people to be trained in the skills and numbers required implementing the governments Rural WASH Sector Strategy, but it is imperative that this HR “gap” be recognised and addressed. In 2009 WaterAid facilitated a first cut study of the human resource needs of the sector if the WASH MDGs were to be achieved. A key focus of WaterAid in this strategy is therefore to further this work to make sure the WASH HR gap is being addressed appropriately.

Performance monitoring and accountability

As previously outlined DNSAS has responsibility for sector monitoring and has some systems in place to record the development of new infrastructure. However this has proved patchy and incomplete partly due to insufficient DNSAS resources especially at field level. As DNSAS (with RWSSP funding) has now trained and placed an additional 65 district and sub district staff in the field, there may now be an opportunity for more accurate monitoring. Accountability has been difficult as the government has clearly not had sufficient capacity to meet rural communities’ needs /rights for WASH facilities. WaterAid has started to support some upwards accountability through the federation of local WASH committees (GMFs).

6.1 Sector review — Strategic planning tool

W Sector Building Blocks	Sector and Sub-Sector Analysis (water, sanitation, hygiene)	Identification of Sector Blockages (in order of magnitude)	Rank	WaterAid Opportunities for Influence (policy and practice) (definition of strategic objectives)	Links to other agencies
<p>1. Sector policy/strategy—coherent policies with a clear poverty focus and links to other sectors, strategies for implementation adapted to country specific challenges, and enabling legal/regulatory framework</p>	<p>Which areas of policy and/or strategy need strengthening?</p> <ul style="list-style-type: none"> - Does WASH receive appropriate priority in national policies and plans? - Do WASH-related policies adequately address the critical challenges faced? - Are strategies for achieving policy objectives clearly defined and operational? 	<p>1.1 National sanitation policy not yet finalised, and there is still disagreement over the approach, e.g. distrust of CLTS amongst government officials</p> <ul style="list-style-type: none"> • There is still scepticism about total sanitation approaches within MoH and DNSAS, and particularly within higher echelons. The MoF may believe that DNSAS are building latrines. • Even when the policy is agreed, three further outputs will need scrutiny: (i) a strategy to achieve the policy’s objectives, (ii) an investment plan, and (iii) an implementation plan. • This is a high priority, as without agreement on the approach, the sector will not accelerate towards the MDGs. 		<p>WaterAid has been involved in the Joint Sanitation Evaluation and in promoting CLTS, so is well placed to comment on finalisation of policy.</p> <p>Potential Actions</p> <ul style="list-style-type: none"> • Documentation – What lessons has WA learned from implementing CLTS in TL? • Advocacy – target those who still distrust CLTS with findings. 	<p>RWSSP sanitation advisor and NGOs for links to others doing CLTS.</p>
		<p>1.2 Sanitation has started receiving higher priority, as evidenced by increasing budget allocations, but this is not yet reflected in development plans</p> <ul style="list-style-type: none"> • National Priority #1 is “Infrastructure (roads and water)”, and in theory sanitation is included under this (“Facilitate equitable and sustainable access to improved water sources and improved sanitation to rural villages in 13 districts”), but in practice water is the far higher priority. • The PM is currently canvassing opinion on a draft of the Strategic Development Plan 2011-2030 (link), SDP, which will supersede the system of ‘National Priorities’. The draft section on WASH overly focuses on (i) water and (ii) urban. Sanitation is almost always an afterthought to water. 			<p>WaterAid is well-placed to advocate to the higher echelons of government beyond DNSAS and MoH on why sanitation is important. e.g. Ministry of Finance.</p> <p>Potential Actions</p> <ul style="list-style-type: none"> • Advocacy – produce concise advocacy materials which clearly and persuasively make the case for sanitation (covering benefits for health, education, economic development and gender) but equally emphasise the approach that is needed.

	<p>- Which areas of policy/strategy are considered controversial and by whom?</p>	<p>1.3 Water is clearly prioritised (see above) and the National Water Policy is almost finished. It addresses the general challenge of sustainability which is arguably the biggest problem in Timor-Leste.</p> <ul style="list-style-type: none"> • It is fair to say that water supply is prioritised by the government. It is part of national priority #1 and forms the bulk of a whole section in the draft SDP. It is also receiving rapidly increasing budgets each year. • The current draft of the policy is quite strong on inclusion, e.g. there are commitments around meeting the needs of women, the disabled etc. However, experience suggests that a step change is needed if certain aspects (particularly related to disability and gender) are to be followed through in practice. • On equity with regard to water supply, it is clear that the bigger challenges are in rural rather than urban, and the majority of the government’s budget allocations are focused on rural areas. Most districts are arguably equally poor and have similarly low levels of WASH access. Furthermore, the government’s budgeting system is in its infancy, so inter-district allocations should not be considered a priority at the moment. 	<p>WaterAid has been involved in the development of the water policy, and has some experience of doing inclusive WASH in Timor-Leste, so is well placed to advocate that policy commitments relating to E+I are followed through.</p> <p>Potential Actions</p> <ul style="list-style-type: none"> • Documentation – write up case studies of the lessons WaterAid has learned on inclusive WASH in Timor-Leste • Advocacy – Produce paper on “Why the WASH sector should consider disabled people” <p><u>Note</u> – It is important not to overlook rapid urbanisation, particularly in Dili. As this continues apace, the equity issue will become more complex, and WaterAid needs to increase its understanding of the WASH situation in urban areas.</p>	<p>RWSSP gender advisor, national disability NGOs, and other WASH NGOs</p>
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<p>2. Sector coordination - sector-wide approach, donor harmonisation, multi-stakeholder platforms, participation of non-state actors</p>	<p>How effective are existing mechanisms for sector coordination?</p> <ul style="list-style-type: none"> - central/local - mechanism for coordinating donors? - annual review? 	<p>2.1 At the district level, sector coordination mechanisms are not harmonised across the country.</p> <ul style="list-style-type: none"> • Decentralisation is underway, and the sector is adjusting to it. In some districts the district administrator (DA) plays a coordinating role, whereas in others this is done by local DNSAS staff, sometimes leading to a confusing picture. • Different approaches are taken by different development agencies, depending on the strength of the district administration. UNICEF advocates a system (called BESI) which puts the DA in the driving seat, coordinating with local MoH and DNSAS staff. As decentralisation deepens, the role of the DA will become more important. 	<p>WaterAid is increasingly working closely with the District Administration and DNSAS staff in Liquica.</p> <p>Potential Actions</p> <ul style="list-style-type: none"> • Documentation – In Liquica, what approach is taken regarding coordination of WASH interventions between SAS, MoH and NGOs. What lessons can be built on in other districts? 	<p>UNICEF, D-WASH, and other agencies playing a leading role in some districts</p>
		<p>2.2. At the national level, there are multiple sector fora</p> <ul style="list-style-type: none"> • Many national fora, only some of which government staff attend, not clear how they fit together. The sector is small enough that this has not caused problems so far, but as budgets increase and the “National Priority” system is disbanded, it will be more important to have clear coordination groups for sub-sectors. • Government decision-makers present will need to be present, to avoid duplication or misunderstanding, and clear ToRs are necessary so everyone understands mandates. Joint Sector Reviews annually are becoming standard practice internationally, and could be useful in Timor-Leste. • Civil Society Organisations are nascent and fragmented, so there are few ways for user voice to usefully reach sector debates. National NGOs, e.g. WA partners, do not really engage in policy debates in any of the various sectors. 		<p>Potential Actions</p> <ul style="list-style-type: none"> • Advocacy – gather information on what each forum is doing, its regular attendees and TORs. Use experience from other countries to push for a more harmonised approach to sector coordination, including an annual Joint Sector Review.

<p>3. Sector finance - clearly defined sector budgeting process linked to a medium term sector investment plan, joint financing agreements between government and donors, strategies for sustainable sector financing</p>	<p>Is sector investment adequate, equitable and sustainable?</p> <ul style="list-style-type: none"> - Are medium-term commitments for WASH sufficient to meet national targets? - Is there a comprehensive budget covering all WASH activities in sufficient detail? - Do criteria exist for determining equitable allocation of funds and are they applied? - What proportion of donor and govt budgets are currently 	<p>3.1 The Government is rapidly increasing allocations to rural water. This is good, but it will put increased pressure on already fragile implementation capacity, and could worsen the already worrying sustainability situation.</p> <ul style="list-style-type: none"> • Rural water budgets have risen rapidly from \$0.7m in 2009, to \$5m in 2010 and an expected \$28m in 2011. Few execution issues so far, but there are worries for the 2011 budget. • Sustainability is already a serious problem, with recent surveys suggesting that over half of water systems fail within 1-2 years • Decentralised procurement introduced in mid-2010 means that every project \$250,000 must be managed at the district level, which is most rural water interventions • This is good, but some finance is fragmented, with money being spent on WASH via several additional channels, e.g. MSATM and MoED indirectly fund WASH through small grants. There are worries about the new procurement process, whereby there is no tender, and a small committee just selects a contractor. • Much of the water budget is being pushed through an Infrastructure Fund rather than on the DNSAS budget. The Fund has been criticized by some CSOs for circumventing parliamentary oversight. 	<p>WaterAid could build understanding of the nature of sector finance fragmentation, by studying the situation in Liquica. This could add to sector learning about the effects of decentralisation, and help ensure accountability of the government and contractors.</p> <p>Potential Actions</p> <ul style="list-style-type: none"> • Research – Map finance flowing into Liquica from all sources, including various government channels, donors and NGOs. • Advocacy – Share with sector and make recommendations based on findings, and encourage similar mapping activities in other districts. 	<p>National NGO as research partner</p> <p>RWSSP engineer</p>
		<p>3.2 With the new policy and approach not yet finalised, sanitation budgets are still being used for subsidies</p> <ul style="list-style-type: none"> • The budget for rural sanitation went from zero in 2009 to \$200,000 in 2010 and a probable \$750,000 in 2011. MoH doesn't have a budget for sanitation despite leading on it. • With the continuing disagreement over policy, approach and institutional arrangements, the 2011 budget may not be optimally spent. It will most likely be spent on latrine subsidy coupons for the poorest households. • Once the policy is passed, a sector investment plan will be necessary to coordinate finance. 	<p>Potential Actions</p> <p>Advocacy – Push for the sanitation policy to be finalised as soon as possible, and for a sector investment plan to follow.</p>	<p>RWSSP sanitation advisor</p>

	<p>utilised?</p> <p>- How far do strategies for sustainable financing of maintenance and expansion address the needs of poor people?</p>				
		<p>3.3 Some MDG needs assessments have been done but they have not been finalised or published.</p> <ul style="list-style-type: none"> • There is a sector investment plan from a few years ago but this needs updating to reflect the new policies and hugely increased government budgets. It should also be based on a clear and published MDG needs assessment. • The government budget provides an MTEF-style forward look 3 years for most budget lines, but not for WASH infrastructure. • The criteria for inter-district allocations is fairly basic – the money is essentially split evenly, not based on a formula. 		<p>Potential Actions</p> <p>Advocacy – Push for a sector investment plan to be published as soon as possible, after the policies are completed.</p>	<p>RWSSP</p> <p>coordinat or</p>

<p>4. Institutional arrangements and capacity—clearly defined roles and responsibilities, progressive decentralisation of sector functions, capacity building and HR development for effective implementation and results-based management</p>	<p>What is the capacity of sector institutions for improved performance?</p> <ul style="list-style-type: none"> - roles and responsibilities defined? - capacity and resources to fulfil their mandates? - user participation in planning and monitoring? - effective regulation? 	<p>4.1 There is very poor sustainability of water systems, partly due to rapid collapse of community management via GMFs if they are not adequately trained or supported long-term</p> <p>Recent surveys by Oxfam, Plan and Triangle found that around half of systems are failing within 1-2 years. This is unacceptable and must be the highest priority for all sector actors. There are many reasons for the poor functionality rate, but one of them is that GMFs are not working sustainably. Either the GMF is not cohesive and stops meeting quickly, or does not collect enough money for times when the system breaks, or is not able to fix it adequately.</p>	<p>WaterAid is aiming to strengthen inter-GMF cooperation by setting up a Federation in Maubara early in 2010. We should work to strengthen the federation and ensure that over time it can become stronger and self-financing. It will also be important to support GMF Federations to participate in monitoring of WASH services, to increase accountability.</p> <p>Potential Actions</p> <ul style="list-style-type: none"> • Documentation – individual GMFs. Where and why have WA-supported GMFs functioned sustainably, and what activities contributed to this? What are the annual running costs of a functioning GMF? • Documentation – GMF Federation. What were the costs and benefits of the Maubara Federation in its first year? What has WaterAid learned in the process and how could other sector actors set up Federations in other districts? 	<p>SCJP, RWSSP comm. mgmt. advisor</p>
		<p>4.2 Capacity to implement at the district level is extremely low, which contributes to the poor sustainability rates</p> <ul style="list-style-type: none"> • In rural water supply, the government is often using private sector contractors with little experience. These contractors often do not appropriately emphasise community participation or management, resulting in rapid failure of the systems. • The Human Resources study commissioned by DFID paints a stark picture of implementation capacity in districts, though there are currently large training efforts underway. • The study made good recommendations and was disseminated, but more work could be done to follow up on them. 	<p>Potential Actions</p> <p>Advocacy – support dissemination and discussion of the HR study synthesis report when it becomes available.</p>	<p>Sue Cavill, RWSSP, capacity building advisor</p>

		<p>4.3 The new sanitation policy is likely to endorse the total sanitation (e.g. CLTS) approach, but there are currently not enough suppliers of sanitation parts in the districts.</p> <p>It is still difficult for poor people to find latrines which are affordable and desirable. Masons that are there don't yet fully understand their customers well enough. The HR study indicates that the number of masons needs to triple.</p> <p>Several sector actors are now starting to do work on sanitation marketing, but most efforts are nascent and are done through NGOs rather than through pure private sector businesses.</p>	<p>Potential Actions</p> <p>Documentation - WaterAid has tried several sanitation marketing approaches over the last few years, including support for individual masons in Maubara and support for a trainer/entrepreneur in Liquica. These efforts should be documented and reviewed, so lessons learned can be disseminated to the sector more broadly, as others scale up their sanitation marketing efforts.</p>	<p>RWSSP sanitation advisor</p>

<p>5. Performance monitoring and accountability— sector information management capacity, agreed framework for performance assessment (equity, sustainability), access to information</p>	<p>Is sector monitoring adequate for improving performance/accountability?</p> <ul style="list-style-type: none"> - format for reporting outputs and outcomes? - systems for managing sector information? - reviews on equity and sustainability? 	<p>5.1 Currently available data on WASH outcomes (i.e. access) is poor and contradictory, leading to disagreement and sensitivity over it.</p> <ul style="list-style-type: none"> • Previous surveys have not contained the questions or response categories recommended by JMP, resulting in data which cannot be disaggregated and is not comparable. However, the 2009 DHS and 2010 census did follow JMP principles, and when these results are available we should have a clearer picture. • There is a new information system for monitoring rural WASH outputs (SIBS), but data entry is not yet complete. The SDFs are preparing a community profile for every aldeia, and they have baseline data for 1300 / 2000 rural aldeias. It is unclear how often the data will be updated, and who will do it. 	<p>Potential Actions</p> <p>Advocacy – when the DHS 2009 and census 2010 data become available, WaterAid could produce a short note highlighting the reasons for differences between these and earlier data, and to make recommendations to improve monitoring.</p>	<p>UNICEF, RWSSP</p>
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7 Stakeholder analysis

Key stakeholders in the WASH Sector are government, local communities, donors, international and national NGOs and the private sector.

Government

The national government sets the country's development plan and this has been articulated by the Timor-Leste Strategic Development Plan 2011-2030. The plan outlines the importance it has assigned to WASH.

The Ministry of Finance presents the national budget each year so it is important, that they are aware of and supportive of an appropriate annual allocation for WASH, especially in the rural areas.

The Department of Water and Sanitation (DNSAS) within the Ministry of Infrastructure is the agency responsible for WASH and is the organisation WaterAid has a formal agreement with DNSAS and has secured its registration as an INGO in Timor-Leste based on this agreement

The Ministry of Health has some responsibility for rural sanitation and primary responsibility for both environmental health and hygiene promotion.

WaterAid also liaises closely with the District Administration and other local government authorities in the regions it works in (currently Liquica but extending to Manufahi later in 2010).

Communities

WaterAid liaises with communities with its WASH work. However the communities WaterAid works with are in the first instance proposed by the government based on a participatory district planning process. WaterAid has direct contact with communities but most interaction is via local NGO partners who together with communities implement WASH improvement programs.

Donors

The major external donors in the rural WASH sector are AusAID (RWSSP), USAID (DWASH), UNICEF and WSP. WaterAid seeks to work closely with these donors as they not only provide significant funding but provide key advice to the government on policies and practices. WaterAid sees strategic partnerships with these donors as a way of influencing national policies and practices. WaterAid sees its strategic role as being able to "road test" WASH methodologies that have worked in other countries, and see if they suitable to the Timor-Leste context. Major donors and government may then decide to adopt these methodologies and implement at national scale.

INGOs

There are a number of INGOs operating in Timor-Leste. The main INGOs in the WASH sector are Plan, Oxfam, WaterAid, Triangle, Red Cross, World Vision and CARE. A number of other INGOs have some WASH component in their programs.

WaterAid is a member of the sector working group with the other INGOs and see this as a key way to share and trial best practice methodologies and encourage their wide adoption.

National NGOs

There are a reasonable number of local NGOs some of which specialise in WASH. WaterAid has formed partnerships with a small number the main ones being NTF and HTL. Local NGOs are generally very well motivated and have good knowledge of the local culture, attitudes and beliefs. That said most local NGOs are very small and have limited implementation capacity. Technical WASH skills are also relatively low. Local NGOs are the natural partners for WaterAid and a large part of WaterAid work will involve support and capacity development of selected local NGOs. WaterAid's vision is to develop local NGOs to the extent that WaterAid can withdraw from direct project supervision to a more monitoring and support and advocacy function.

Private Sector

Although the private sector in Timor-Leste is underdeveloped there are a number of construction companies some of whom undertake village water supply work usually contracting to DNSAS. However there is very little interaction between these companies and INGOs such as WaterAid. Their technical capacities are limited and they lack an understanding of the importance of community participation. That said they do have some implementation capacity and WaterAid should explore how this may be enhanced and utilised within the WASH sector. In terms of rural sanitation WaterAid has recognised that following the CLTS process many households want a latrine that is better than "bush materials". This has prompted WaterAid to graft a "Sanitation Marketing" approach into its CLTS program. In practice this has meant supporting some local private enterprises to develop and offer latrine components to households. This work is in its infancy but shows promise and will receive significant ongoing support from WaterAid.

Stakeholder Consultations

As part of this Country Strategy development a number of meetings were held with key stakeholders including, government, donors, INGOs and local NGOs. In general the feedback was that WaterAid is valued as a specialist WASH INGO which has a role in bringing new WASH methodologies into Timor-Leste and trialling them for consideration by others in the sector. In general the government authorities would like to see WaterAid expand its activities as they feel the pressure to extend WASH services to more of their population. WaterAid is reluctant to overstretch the capacity of its local NGO partners but is keen to start a new WASH program in Manufahi district in order to respond positively to the DNSAS request but also entails the use of new water methodologies such as boreholes, dug wells and water lifting systems. The geology and geography in Manufahi should provide this opportunity.

8 WASH Sector 'SWOT' analysis

8.1 Strengths and weaknesses

Timor-Leste is a newly independent country. This is a potential strength as from a policy perspective they can start with a clean sheet. The country's newness is also a weakness as there is little experience in governing and only a short history of political stability. Due to many centuries of domination by external countries there have not had many opportunities to develop its skill base through education. This is particularly relevant in the WASH sector where there is serious lack of local people with skills to implement WASH programs at the scale required to meet MDG targets

The government of Timor-Leste has a number of charismatic and highly intelligent leaders who have both international and local respect and trust.

A key strength is its access to revenue from considerable oil and gas resources. On the weakness side its land mass is not very fertile and is ecologically fragile.

The rural WASH sector has significant donors in AusAID/RWSSP and USAID/ DWASH as well as a number of INGOs with a significant WASH programs. Most donors have long term plans to work in the rural WASH sector in Timor-Leste.

There are also a small number of local specialist WASH NGOs which is both strength and a weakness.

8.2 Opportunities and threats

As the country is new it has the opportunity to learn from other countries experience and can adopt the best policies and practices. For example Timor-Leste can adopt a world best practice sanitation policy which incorporates the best aspects of the two leading methodologies of CLTS and Sanitation marketing.

Good progress can be achieved if long term donor support to the WASH sector can be maintained.

As a small country with a small population with significant resources, Timor-Leste represents a global opportunity to "get it right" and achieve major gains in WASH coverage.

WaterAid has good knowledge of most best practice WASH methodologies and can play a key role in providing methods which can be scaled up to national level.

A significant threat is that the government does not consistently provide investment funds to the rural WASH sector. Another threat is that the government may try to utilise its oil resources to attempt to move too fast in providing WASH facilities without sufficient community empowerment. This could result in a lack of sustainability of WASH systems.

9 WaterAid's Strategic Approach

The shape of the WaterAid program is underpinned by the strategy outlined in the WAAus Business Plan, which states:

'In essence the strategy entails WaterAid field testing and proving WASH best practice methodologies in each country context, then advocating for them to be adopted and implemented at national scales. This will involve advocating for appropriate prioritisation of WASH by national governments, donors and other WASH sector actors. National plans will need to be adequately financed and for local human capacity to be enhanced to implement programs to the scale required.'

This paragraph also encapsulates the major thrust of the WaterAid Global Strategy, to maximise impact by advocating for adoption and scale up of WaterAid tested successful WASH methodologies.

In Timor-Leste, WaterAid will continue to directly support a significant number of WASH projects which demonstrate the effectiveness of WaterAid's approach. On this basis, WaterAid will remain more a niche actor rather than a large-scale implementer. That said WaterAid will ensure that it undertakes enough WASH projects to enable it to be seen as a credible stakeholder in the WASH sector, so that its voice is heard.

The past five years have been an establishment and consolidation phase for WaterAid which has focused on establishing credibility and demonstrating an effective community approach, particularly around the introduction of CLTS. The staff have worked hard to establish the organisation and to convince the government that WaterAid will remain in Timor-Leste for the long term, albeit with a relatively modest budget compared with major institutional donors such as AusAID and USAID. The 30+ villages where WaterAid has supported WASH programs in Liquica has assured WaterAid's status in the sector and generated recognition for WaterAid's commitment and quality work. The challenge in the next five year period is to use this credibility to better influence other actors in the sector, as well as to continue to field test potential solutions to current WASH sector issues such as sustainability and handwashing.

9.1 Working with rights holders

In planning for the new CS, WaterAid staff considered continuing to expand work in Liquica district with the aim of assuring 100% water and sanitation coverage. Whilst an achievement of district-wide WASH coverage would have been a powerful example within the sector, WATL staff determined that it would take at least 10 years to achieve and risk overstressing local NGO partners in Liquica (and hence threaten the quality of the work). The alternative strategy which has been agreed upon is to limit the rate of expansion in Liquica and gradually commence work in another district. Manufahi has been selected as the district for expansion. The advantages of this approach are that:

- It will not overstretch our partners in Liquica
- It will strengthen our relationship with the government by agreeing to support another district. There are 13 districts in Timor-Leste and only about half have an INGO working in WASH, making for grossly uneven development across districts.
- It will provide experience in a new geographical area in Timor where different technologies can be demonstrated. Gravity-fed water supply systems are the most common form of water technology in Liquica and this has been the default water technology in Timor-Leste to date. Manufahi offers scope for some gravity-fed schemes but also has large areas of coastal plain with potential for the use of both boreholes and dug wells fitted with hand pumps. Development of these technologies in

Timor-Leste was identified in the original Timor-Leste feasibility in 2005 and to date there has been little progress within the sector in these areas.

- Selection of Manufahi, in the western region of the country, fits with WaterAid's poverty focus. Whilst the whole of rural Timor-Leste is considered to be very poor, various studies have ranked districts in the west to be poorer than those in the east. Oecussi is generally believed to be the poorest district but already has Oxfam, CARITAS, Triangle and USAID's DWASH working there on WASH.
- The Director of DNSAS has requested WaterAid to provide assistance in Manufahi.

9.2 Advocacy with duty bearers

Advocacy will focus on a number of themes, as detailed below. Establishing a substantial advocacy program for WaterAid will require additional resources, particularly during the first six to twelve months. It is unlikely that WaterAid will find Timorese staff with high-level advocacy skills. Consequently, WaterAid plans to identify and train suitable staff through by seconding an experienced WaterAid expatriate staff member for six months to train up and mentor a small team of advocacy interns. Ideally, these interns would be new graduates in a field such as social science, arts or journalism, each of whom would be given a task to trial documenting one case study. The best intern(s) would then be selected to join the WaterAid staff.

Other advocacy strategies will include continuing to engage with the WASH sector meetings and workshops hosted by INGOs; formation of a national WASH coalition linked to WSSCC; and identifying a prominent Timorese WASH champion, such as the Prime Minister, Xanana Gusmao.

Sector financing. In 2010 there has been a quantum shift in funding allocated to WASH, particularly in the rural sector. In FY10 the national government budgeted only \$75,000 for WASH capital expenditure. For the 2010 financial year, WASH has become the major priority within the Ministry of Infrastructure and a budget of \$11 million has been allocated to construct 64 new water systems. This funding, combined with that made available through RWSSP, DWASH and INGOs, means that the rural sector currently has clearly as much funding as can be spent effectively. Advocacy is required in two areas: firstly to keep these commitments going and ensure that the sector is adequately funded in the long term; and also to ensure that funds are spent effectively and that the government gets good results from these investments

Policies. A number of important policies (some requiring companion legislation) are missing in Timor-Leste or remain in draft form only. Within the rural sector, RWSSP is steering most of the policy work, particularly with respect to a new rural water policy (currently being drafted by Bob Reed, WEDC) and the draft national sanitation policy (Andy Robinson, Consultant). WaterAid will continue to engage with the government and the expatriate advisers who are developing these policies to promote a rights-based framework and strong pro-poor targeting. WaterAid can also play a strong role in advocating around adoption of these policies at the district level in the two districts where project-based work is carried out.

Because RWSSP plays such a central role in policy making for rural WASH, WaterAid will seek to improve its influence with RWSSP and continue in its offer to work in close collaboration with RWSSP advisers. In Australia, WaterAid will make aim to further its partnership with IDSS with the aim of influencing RWSSP through the managing contractor.

Government roles and responsibilities. To date most implementation work in rural areas has been undertaken by local NGOs, often supervised and funded by INGOs. When water systems have been funded by the government they have traditionally contracted the work out to private sector firms who do not have the required community mobilisation skills. Often this has led to poor results with early system

failure. Recently DNSAS lobbied for a change in procurement policy within MoI to enable them to give some work to local NGOs. Amongst other players in the sector, UNICEF are also using private sector contractors for work in schools and community schemes; USAID's DWASH has adopted a model that seems to be effective whereby implementation is contracted to local NGOs who are supported under a contract with an INGO who provide mentoring and supervision. AusAID's RWSSP has not spelt out a position on contracting strategy but are supporting DNSAS and MoH to put more GOTL WASH personnel at district and sub district level. It is unlikely that these staff—whose title is 'Sub-district Facilitator'—will increase the capacity of the government to implement.

In general, it is clear that INGOs such as WaterAid need to support both GOTL (planning, monitoring) and local NGOs when implementing activities with communities in order for quality work to be achieved. It would seem, however, that GOTL, RWSSP, and the local NGOs themselves see little need for INGO support and view INGO intervention as an expensive, inefficient allocation of resources. Consequently, unlike DWASH, GOTL is unlikely to fund INGOs to play a supporting role. In response, WaterAid is considering advocating for a model where it funds mentoring and supervision whilst the government pays for the local NGOs and materials costs.

Best-practice methodologies. WaterAid will continue to base its advocacy on demonstration of best-practice methodologies in its district-based implementation work. Areas in which WaterAid expects to contribute are:

- CLTS: efforts are required to promote CLTS with agencies still using a subsidised approach; further work is also required on developing and documenting successes of sanitation marketing, and ensuring that once demand is created by CLTS that it is matched by supply provide by Sanitation Marketing. Linkages with WSP who are global advocates of sanitation marketing will be beneficial.
- Functional sustainability: as noted above, poor sustainability of water supply systems in Timor-Leste remains an ongoing problem across all agencies working in the sector. WaterAid will aim to demonstrate responses that deliver sustainability, working within the community management framework. Partnering with sub district facilitators will be a key focus. WaterAid will also continue to link in with the global Triple S sustainability program funded by the Gates Foundation.
- Hygiene/hand washing: will require evaluation and documentation of behaviours before and after WaterAid interventions. Aim to work on a national multimedia campaign in addition to community-based activities. Social marketing techniques using non health messages will also be trialled. WaterAid will also link their program in with lead hygiene agency IRC.

Australian-based advocacy on Timor-Leste.

WaterAid will continue to support the advocacy work of WaterAid in Timor-Leste with a focus on:

- ACFID AINGO Working Group – advocate for WASH as a priority and that funding for WASH be directed to AINGOs
- New AusAID Timor-Leste Strategy 2009-15 – as above
- AusAID Office of Development Effectiveness (ODE) Report on Timor-Leste – discourse with AusAID

Capacity Building.

Given that sector funding is not currently a key blockage (as noted above), the capacity of government and local NGO WASH actors looms as one of the major inhibiting areas. WaterAid's response to this issue will be multifaceted:

- **Local NGO partners:** WaterAid has signed three year, primary partnership agreements with two partners—NTF and HTL. The partnership agreements underwrite long-term funding and will encourage these NGOs to view WaterAid in a long-term mentoring role. Plan International is also supporting organisational development aspects of these NGOs and WaterAid will coordinate closely to ensure that support from the two INGOs is complementary. WaterAid arranged for the directors of NTF and HTL to visit NEWAH to develop a broader vision of what their NGOs may become.
- **Government partners, especially local government:** support will focus on DNSAS, Ministry of Health and Ministry of Education. Two other ministries—Ministry of State Administration and Territorial Management (responsible for local government) and Ministry of Economy and Development (which has a Directorate of Rural Development)—who fund construction of WASH infrastructure will also receive support where their activities intersect with WaterAid influence in Liquica and Manufahi. Capacity building for government staff will have a strong emphasis on district and sub-district levels, including support for the MoH SiSCA program and DNSAS sub-district facilitators.
- **Education and training Institutions:** recent studies into capacity gaps in Timor-Leste highlight the need to take a long-term view to training the WASH engineers, technicians and public health specialists that are required to support the WASH sector. WaterAid will play a role both in building the capacity of training institutions (for example, by providing specialist advice for curriculum development and guest lecturers) and also by providing work experience, traineeships or internships to the most able students and graduates. WaterAid will seek to promote and support linkages between Timorese training institutions and Australian and International training institutions such as IWC, WEDC and TAFE schools.

10 Strategic Objectives and Indicators 2010-2015

The objectives for the new CS and the indicators of success are set out in the following table.

WA Global Aims	WATL CSP – Strategic Objectives	Success Indicators
Aim 1 We will promote and secure poor people's rights and access to safe water, improved hygiene and sanitation	1.1 Through partners, increase access of poor communities to equitable and inclusive WASH infrastructure and hygiene knowledge	1.1.1 139 village WASH initiatives successfully completed by WATL partners (98 villages in Liquica, 41 in Manufahi = 139 villages = 4170 households = 20,850 people) 1.1.2 139 new communities achieve Open Defecation Free status 1.1.3 75% of population in WaterAid areas aware and practicing safe hygiene behaviors
	1.2 Build capacity of community management groups (GMFs) to sustain community infrastructure, and also to promote the voice of poor people and marginalised groups of their WASH rights	1.2.1 187 GMFs established or strengthened (48 existing, 139 new) 1.2.2 All GMF's have at least 40% female members with an increasing number of women in decision making positions 1.2.3 2 GMF federations operating and supported by district government, one each in Liquica and Manufahi 1.2.4 Timor-Leste specific factors for sustained operation and management of water systems identified, trialed and documented (at least 90% water points remain operational)
	1.3 Promote sanitation marketing methodologies so that sanitation hardware supplies better meet the demand created by CLTS	1.3.1 10 artisans trained to construct sanitation hardware and inclusive design 1.3.2 4,000 toilet pans sold to households in rural communities in Liquica and Manufahi (50% of new households)

	1.4 Demonstrate viable alternatives to gravity-fed water supplies for rural communities	1.4.1 13 village water supplies (≈30% of 41 new in Manufahi) installed with boreholes, dug wells, hand pumps, rainwater or fog water harvesting technology installed by partners that ensure the needs of different users are met
<p>Aim 2</p> <p>We will support governments and service providers in developing their capacity to deliver safe water, improved hygiene and sanitation</p>	<p>2.1 Invest in capacity building of sector especially local NGO partners, but also with government, private sector to ensure services are delivered at scale in an equitable and sustainable manner</p> <p>(including partnerships with local and international training institutions)</p>	<p>2.1.1 WATL will continue and strengthen existing NGO partners and will diversify as required</p> <p>2.1.2 6 Timorese technical staff employed to work and build their WASH experience with partners</p> <p>2.1.3 10 partner staff trained in rural WASH technical skills at the Tibar technical training college (or equivalent) using WaterAid funding</p> <p>2.1.4 50 technical graduates provided with on-the-job training on WASH projects – 20/yr by 2015</p> <p>2.1.5 Strategy developed and implemented to have greater participation of women in technical training</p> <p>2.1.6 Amongst partner staff, 20 community facilitators trained on CLTS ignition and 15 hygiene promoters trained on hygiene promotion</p> <p>2.1.7 90% sustainability maintained in WaterAid supported systems through capacity building and support of GMFs and Government sub district facilitators</p> <p>2.1.8 Training and education indicators</p> <ul style="list-style-type: none"> – WATL will have supported the establishment of a national WASH manpower plan. - WATL will have established links with at least 3 educational institutions and provided curriculum advice and WATL staff conducting 5 lectures a year by 2015

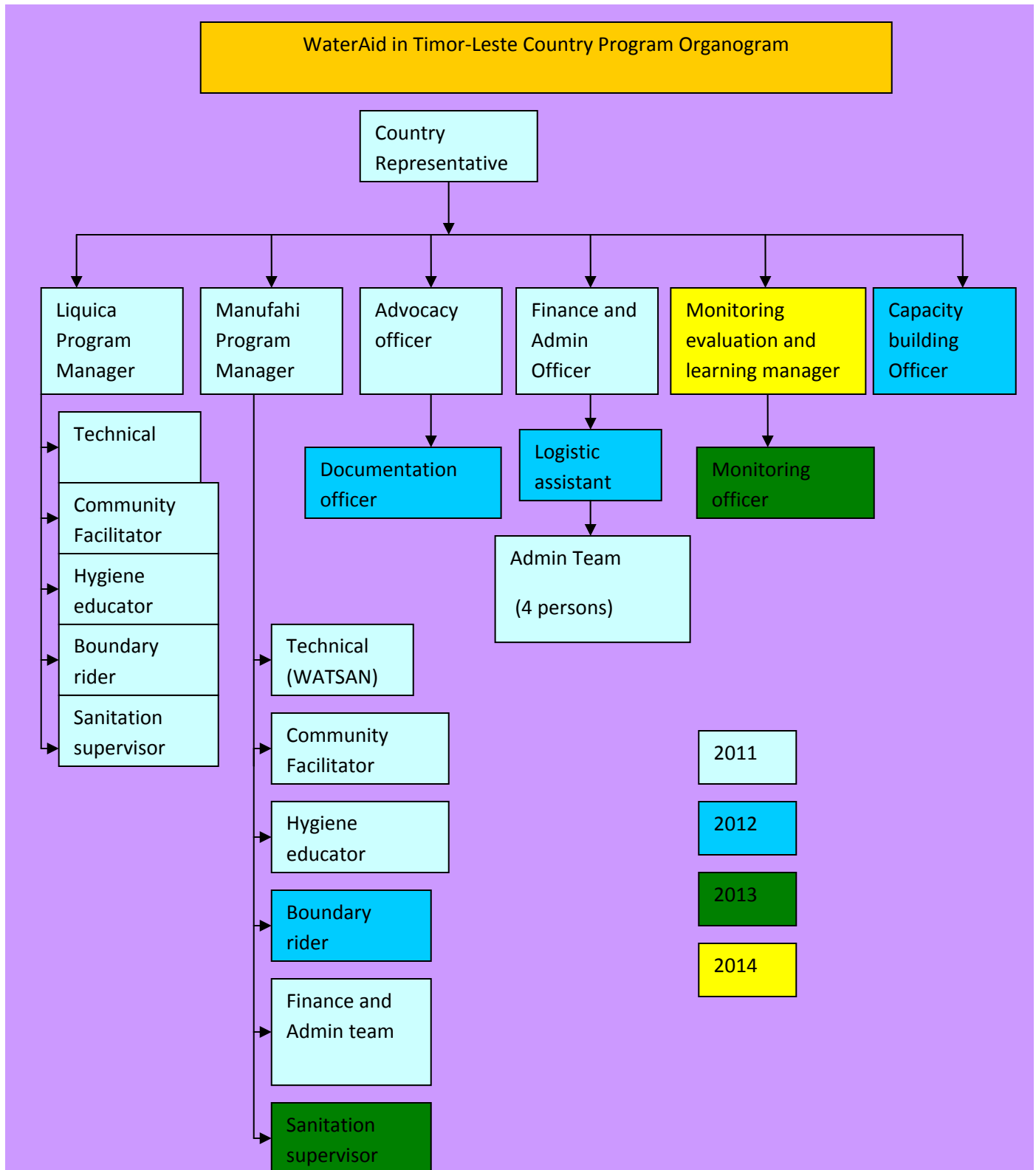
	<p>2.2 Advocate with government for increased and more effective WASH responses</p>	<p>2.2.1 Adequate and increasing national budget for WASH e.g. \$11million/year for DNSAS,</p> <p>2.2.2 Adoption of CLTS within national sanitation policy</p> <p>2.2.3 Adoption of a common hygiene promotion platform for MoH and WaterAid in rural communities</p> <p>2.2.4 Inclusion of water lifting devices (such as hand pumps) and boreholes within the DNSAS Community Water Supply and Sanitation Guidelines</p> <p>2.2.5 DNSAS and MoH staff at district level in Liquica and Manufahi report being positively influenced and supported by WaterAid staff</p> <p>2.2.6 Evidence of improved equitable and sustainable WASH services from governments and service providers.</p> <p>2.2.7 Evidence of increased capacity for collective action by civil society and non-sector actors to campaign effectively for the rights of the poor to WASH (e.g. the GMF federations)</p>
	<p>2.3 Influence the work of other major actors in the sector, especially RWSSP(AusAID), DWASH(USAID) & INGOs</p>	<p>2.3.1 WaterAid recognized playing a leading role on the WASH sector working group (or equivalent)</p> <p>2.3.2 Evidence of WaterAid practices or policies having been adopted by other major WASH actors</p> <p>2.3.3 At least 20 articles or conference papers published based on WaterAid learning in Timor-Leste</p>

<p>Aim 3</p> <p>We will advocate for the essential role of safe water, improved hygiene and sanitation in human development [non-WASH sector]</p>	<p>3.1 Raise the profile of the departments of Environmental Health and Hygiene Promotion within MoH</p>	<p>3.1.1 Departmental budget to increase by 10%/yr</p> <p>3.1.2 Increased number of district staff and increasing role in WASH activities</p> <p>3.1.3 Number of inclusive WASH facilities in clinics have adequate budget, especially for O&M</p>
	<p>3.2 Government ministries including Education, Economy and Development, and State Administration and Territorial Management explicitly include WASH in their annual programming</p>	<p>3.2.1 Number of inclusive WASH school facilities (including Menstrual hygiene facilities) prioritized and budgeted for in MoEd budgets, especially O&M funds</p> <p>3.2.2 WASH hygiene education mainstreamed in MoEd curriculum</p> <p>3.2.3 Inclusive WASH facilities articulated in MoEd national policies</p>
	<p>3.3 Promote significant allocations to WASH within municipal budgets following introduction of decentralised WASH service provision</p>	<p>3.3.1 District Administrations in Liquica and Manufahi allocate a specific budget to improving rural WASH outcomes</p> <p>3.3.2 10% of municipal budgets in Liquica and Manufahi are directed to sanitation and hygiene promotion</p>
	<p>3.4 Collaborate with Disabled People's Organisations (DPOs) to demonstrate effective responses to universally accessible WASH infrastructure</p>	<p>3.4.1 Timorese DPOs supported to practically apply and critique the National Disability Policy with respect to WASH</p> <p>3.4.2 2 DPOs engaged in advocacy activities and liaise with communities</p>
<p>Aim 4</p> <p>We will further develop as an effective global organisation recognised as a leader in our field</p>	<p>4.1 Consolidate WaterAid's position as a leading WASH agency in Timor-Leste</p>	<p>4.1.1 WaterAid programs acknowledged by peer agencies and donors as modeling best practice within the sector</p> <p>4.1.2 WaterAid senior staff hold prominent role(s) in the WASH sector working group</p> <p>4.1.3 Annual workload audit conducted for all staff</p>
	<p>4.2 Adequately resource national level advocacy</p>	<p>4.2.1 One (1) additional staff member engaged to manage reporting, monitoring and documentation in relation to WaterAid advocacy</p>

<p>and living our values</p>	<p>4.3 WaterAid’s Timor-Leste in country staff and resourcing are fit for purpose to achieve Aims 1-3</p> <p>Develop an effective team culture that values learning, cooperation and effectiveness</p>	<p>4.3.1 Evidence of WaterAid programmes, projects and policies demonstrating use of learning and research in their design, planning and implementation.</p> <p>4.3.2 WaterAid’s Global People Strategy delivered:</p> <ul style="list-style-type: none"> • Staff motivation / engagement is in the top quartile in the global employee engagement survey • Increased % of positive staff ratings of leadership in Global Employee survey. • Evidence of improved gender balance in WaterAid management positions; • Increased % of disabled staff and consultants in WaterAid nationally and globally). <p>4.3.3 Multi-disciplinary teams established (consisting of a technician, sanitation motivator and hygiene promoter) and located a sustainable number of projects each</p> <p>4.3.4 WaterAid teams at district and national level reflect sound leadership, strong collaboration, and a shared vision</p> <p>4.3.4 Capacity building staff position created and capacity development plans established and implemented for local staff (and selected local partners)</p>
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11 Human Resources

To accommodate the strategy detailed here the following staffing structure is envisaged:



12 Financial resources

A broad outline of total program cost is set out in the following table. WaterAid's work and partners in Liquica are well established and costs can be estimated with some confidence. The costs of expanding WaterAid's program into Manufahi district are more uncertain and will involve some significant start-up and operating costs. Unlike Liquica, the capital of Manufahi district (Same) is 4-6 hours distant from Dili and at times road access is cut off due to land. This remote location will add to programming costs. Expanding the program into Manufahi will involve buying a car, employing another expatriate engineer, a team of Timorese WATL staff and renting and refurbishing an office in Same. Preparatory work in Manufahi is expected to commence in late 2010. The amount shown in the table for 2010/11 provides for six months of the expatriate engineer plus purchase of a vehicle.

	2010/11	2011/12	2012/13	2103/14	2014/15
WASH projects, Liquica	A\$600K (18 villages)	A\$750K (20 villages)	A\$750K (20 villages)	A\$750K (20 villages)	A\$750K (20 villages)
WASH projects, Manufahi	A\$70K (mobilisation)	A\$200K (3 villages)	\$410K (8 villages)	\$630K (12 villages)	A\$850K (18 villages)
Advocacy	A\$30K	A\$50K	A\$90K	A\$120K	A\$150K
Totals	A\$700k	A\$1m	A\$1.25m	A\$1.5m	\$1.75m

WaterAid has mainly financed its program in Timor-Leste with its own funds, with some external support through AusAID and Oxfam New Zealand. Ongoing support is expected through AusAID but it seems unlikely that funding support will be forthcoming through RWSSP, DWASH or EU sources. Although ongoing dialogue will be pursued with all potential future donors. As Timor –Leste is WaterAid in Australia's 'flagship' program it is important that WaterAid is able to trial new methodologies and external donor funding can put restrictions on this process.

13 Risk management

RISK	DESCRIPTION	LIKELIHOOD	IMPACT	CONTROLS	RISK OWNER
INTERNAL					
1. Strategic	1.1 CS not aligned to Global Strategy	Low	High	Use new CS guidelines , ensure signoff by WAI	HIP/CEO
	1.2 Staff and partners not aligned to CS	Low	High	Involve stakeholders in CS process Conduct refresher seminars	CR
2. Operational	2.1 Lack of staff and partner retention and lack of capacity	High	High	Benchmark conditions, provide role clarity, feedback and incentives , in line with WA Global HR policies, provide training programs	CR, IPM, HIP
	2.2 Reputation and legal risk due to non compliance with OHS, Child protection policies – e.g. adverse media articles	Medium	High	Staff and partners made aware of policies and procedures and documented compliance	IPM, CR, SMT (TL)
	2.3 Inadequate management of grant /contract funds	Low	High	Staff and partners made aware of grant project requirements, start up workshops , monitoring visits, reports to donor	CR, IPM
3. Program	3.1 Non achievement of plans and targets,	Medium	High	Clear roles of responsibilities of staff and partners, Implementation of monitoring ,reporting, evaluation systems	CR, IPM, SMT(TL)
	3.2 Non compliance with program quality systems – Water Quality, Construction, Environment, Sanitation policies	Medium	High	Ensure staff and partners knowledge of , management skills and adherence to policies and procedures	CR,SMT(TL)
	3.3 Reputation risk due to unfavourable media/govt comment	Low	High	Advocacy and media reporting cross checked before release	Advocacy staff, CR

4. Financial	4.1 Mismanagement and misuse of funds by staff and partners	Medium	High	Staff and partners made aware of documented finance and admin procedures, adherence monitored, and audited	SMT(TL) Finance staff
	4.2 Under/overspend of budgets , including currency fluctuations	Medium	Med	Monthly and 1/4ly monitoring by TL and Melb staff	SMT(TL), HIP, CR, IPM
	4.3 Inadequate insurance cover	Medium	High	Yearly review and updating of insurance policies	HoF, HIP,IPM
	4.4 Loss, damage to property and assets	Low	Med	Management of asset register, insurance, OHS and Security policies	HoF,CR
	4.5 Fluctuating “core” funding affects program	Low	Med	Annual review of required core funding and synchronize with funds available	HIP, HoMF
5. Legal/Compliance	5.1 Non compliance with taxation and labour laws	Low	Med	Regular update of current GOTL regulations and monitoring of adherence	CR, HoF
	5.2 Non compliance with MoU with GOTL	Low	High	Regular monitoring of current MoU and ensure compliance reporting	CR
EXTERNAL					
6. Political	6.1 Political instability threatens staff and programs	Medium	High	Yearly review of Security Policy, and adherence. Monthly reporting of political, security situation	CR
7. Economic	7.1 Economic volatility effects GOTL programs and policies , cost of living	Low	Med	Monthly reporting on economic situation , annual CPI adjustment to staff salaries	CR
8. Natural Disasters	8.1 Earthquakes, floods, droughts affects country and programs	Low	Med	Security policy , OHS policy, immediate reporting of incidents , review of IWRM considerations	CR,IPM
9. Donor Priorities	9.1 External donors downgrade/withdraw funds to WASH sector	Low	High	Monthly monitoring, Advocacy and lobbying activities	CR, Advocacy staff
10. Govt policies	10.1 GOTL downgrades WASH budget	Medium	High	Monthly monitoring, Advocacy and lobbying activities	CR, Advocacy staff
	10.2 GOTL WASH policies inadequate and / not executed	Medium	Med	Monthly monitoring, Advocacy and lobbying activities	CR, Advocacy staff

14 Monitoring and Evaluation Framework

WAAus is aligning with the Global PME system .An outline of the monitoring and evaluation framework is set out in the following table. The details will be further developed by senior WATL staff in conjunction with partners.

PROCESS	PURPOSE	HOW	WHEN	WHO IS RESPONSIBLE	OUTPUT
Implementation supervision and partner mentoring	Capacity building of partners Monitoring progress vs. plan	Program managers visit partners and communities	Daily and weekly interactions	Program managers and CR	Daily and weekly feedback to CR on performance versus plans
Monthly reports and assessments	Performance and financial tracking	Monthly narrative plus financial report	Monthly	CR, SMT(TL), IPM	Monthly progress reports, financial tracking
Monitoring visits	Performance versus plan and budget Spot checks	IPM , HIP , Melb based Finance staff visits TL	At least every 6 months	IPM	Monitoring reports, process reports, financial checks, donor compliance e.g. ANCP
Six monthly reports	Performance versus plan and budget	Collated reports for 6 months	October	CR, IPM	Half yearly report, allows course correction and budget reforecast
Annual Reports	Annual report of performance versus plans and budgets	Collated reports for year on performance versus objectives plus expenditure versus budget	Annually Aril/May	CR, SMT(TL) , IPM	Annual report on progress versus plan. Feeds into International Program and WAAus Annual Reports

Verification studies	Verify performance versus targets especially sustainability	Functionality of facilities and behaviour change studies – in sample communities	Annually – sample communities	CR, SMT(TL) ,IPM	Verification reports indicating quality and quantity of WSH outputs
Community Report card	Feedback from communities on WAAus and partners	Community consultations , Most Significant Change	Annually – selected communities	CR, IPM	Documented report back from “customers”- suggested changes to processes
Learning	Reflection and continuous improvement	Learning reflection seminar	Annually	CR, SMT(TL), IPM	Seminar report documenting leanings and suggested improvements included in annual reports
Donor Monitoring and Reporting	Fulfill donor needs and contract compliance	Depends on requirements- usually specific monitoring visit by IPM	Depends on agreement requirements – often annual	IPM	Donor report and financial acquittals
Country Program Evaluation	Independent high level assessment of Strategy and performance	Small team – mix of internal and external consultants	Every 4-5 years	CR, IPM, HIP	Evaluation Report – effectiveness , suggestions for improvement
Impact assessments and thematic studies	Verify specific program impacts and investigate particular thematic issues	Small team – mix of internal and external consultants	Every 4 -5 years	CR, IPM, HIP	Impact Studies and thematic reports-Influence future programming and strategies

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