

GEF  
COUNTRY  
PORTFOLIO  
STUDY

# Timor-Leste (2004–2011)





GLOBAL ENVIRONMENT FACILITY  
EVALUATION OFFICE

## **GEF Country Portfolio Study: Timor-Leste (2004–2011)**

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*The main conclusions and lessons learned of this evaluation were presented to the GEF Council in June 2013.*

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# Foreword

The Timor-Leste Country Portfolio Study (CPS) is one of four country-level evaluations that examine Global Environment Facility (GEF) support in the Asia and South Pacific region. The study was undertaken in parallel with a country evaluation being conducted by the United Nations Development Programme (UNDP) Evaluation Office in Timor-Leste. The GEF Timor-Leste CPS consolidates the collaboration between the GEF and UNDP evaluation offices, building upon the previous two CPSs completed in 2011 in El Salvador and Jamaica. Timor-Leste national GEF projects have been exclusively implemented by UNDP, as have several of the regional projects in which the government of Timor-Leste is a partner. This collaboration between the two offices enabled a more informed evaluation, a lower evaluation burden to the country, and cost savings in the evaluation effort.

The study found that GEF support has assisted Timor-Leste in developing foundational capacities that have helped the country fulfill its initial obligations to the United Nations Framework Convention on Climate Change and the Convention on Biodiversity. GEF support helped raise the profile of environmental issues and establish national priorities, particularly in biodiversity and climate change. The support has been relevant to the Timor-Leste constitution and Strategic Development Plan and priorities. An analysis concerning the efficiency of GEF support to Timor-Leste

indicates that limited capacity is a problem affecting GEF-funded projects throughout their activity cycle.

Two lessons emerged from the study. First, the GEF project approach, with its focus on relatively short-term engagement, is challenging for Timor-Leste, given its transition out of fragility. A longer term engagement or a programmatic approach may reduce the administrative burden and improve continuity. The evaluation shows that GEF projects in Timor-Leste lack a cohesive approach and longer time scale of engagement, which are needed to build capacities in a country coming out of a conflict situation. Developing a program with the country may enable more predictable longer term support to government priorities. Such a program should take context as the starting point, particularly with regard to capacity constraints.

The second lesson indicates that livelihood linkages to environmental management are key for the development of the GEF portfolio in Timor-Leste. Future projects that develop tangible incentives for conserving the local environment through sustainable livelihood activities will be suited to Timor-Leste—a country that has 80 percent of its population living in rural areas and dependent on natural resources for their livelihoods, with 40 percent living below the poverty line. The forthcoming introduction of the GEF Small Grants Programme in Timor-Leste will offer opportunities to learn

from community-based sustainable livelihoods projects in other countries within the region.

A synthesis of the study findings was presented to the Timor-Leste Secretary of State for the Environment and the staff of the State Secretariat for the Environment in February 2012, at the UNDP Country Office in Dili. The feedback received was highly constructive, and comments have been incorporated into this report as appropriate. The conclusions and lessons will be included in the Annual Country Portfolio Evaluation Report 2013, along with those emerging from the other country-level evaluations being conducted in the Asia and

South Pacific region. This report will be presented to the GEF Council in June 2013.

The GEF Evaluation Office would like to thank all who collaborated with the study. I would also like to thank all those involved for their support and useful criticism. Final responsibility for this report remains firmly with this Office.

A handwritten signature in black ink, appearing to read 'Rob D. van den Berg', with a long horizontal stroke extending to the right.

Rob D. van den Berg  
Director, GEF Evaluation Office



# Acknowledgments

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A team supervised by Carlo Carugi, Senior Evaluation Officer and Team Leader for country-level evaluations at the Global Evaluation Facility (GEF) Evaluation Office, and composed of Lee Alexander Risby, Senior Consultant, and Ben Castle, Research Assistant, prepared this report.

Members of the government of Timor-Leste—in particular, Abilio de Jesus Lima, Secretary of State for Environment and GEF Political Focal Point, and Mario Ximenez of the State Secretariat for the Environment, who serves as the GEF Operational Focal Point—provided full cooperation with the evaluation. The evaluation team is also grateful for the translation and logistical support provided by Carsiliano Oliveira and Livio Xavier, and technical

inputs from other members of the United Nations Development Programme's (UNDP's) Timor-Leste Country Office.

The evaluation team appreciates the support and inputs of Vijayalakshmi Vadivelu, Evaluation Officer, of the UNDP Evaluation Office and task manager for the Timor-Leste Assessment of Development Results, which ran in parallel with this study.

The key findings and lessons of the evaluation were presented and discussed with the Secretary of State for the Environment and the staff of the State Secretariat for the Environment and the UNDP Country Office on February 7, 2012.

# Abbreviations

ADB	Asian Development Bank	NGO	nongovernmental organization
ATSEA	Arafura and Timor Seas Ecosystem Action Program	NBSAP	national biodiversity strategic action plan
AusAID	Australian Agency for International Development	ODS	ozone-depleting substances
CBD	Convention on Biodiversity	OECD	Organisation for Economic Co-operation and Development
CPE	country portfolio evaluation	PDF	project development facility
CPS	country portfolio study	PEMSEA	Partnerships in Environmental Management for the Seas of East Asia
DNSAS	National Directorate for Water and Sanitation (Direccao Nasional Serbisu Aguas e Saneamento)	POP	persistent organic pollutant
GDP	gross domestic product	RAF	Resource Allocation Framework
GEF	Global Environment Facility	SDS-SEA	Sustainable Development Strategy for the Seas of East Asia
GIS	geographic information system	SEMA	State Secretariat for the Environment
GIZ	German Agency for International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit)	SF6	sulfur-hexafluoride
HCFC	hydrochlorofluorocarbons	SGP	Small Grants Programme
IBA	Important Birding Area	SIDS	small island developing states
IUCN	International Union for the Conservation of Nature	STAR	System for Transparent Allocation of Resources
LDCF	Least Developed Country Fund	UN	United Nations
LMIC	lower-middle income country	UNCCD	United Nations Convention to Combat Desertification
MAF	Ministry of Agriculture and Fisheries	UNDP	United Nations Development Programme
NAPA	national adaptation program of action	UNFCCC	United Nations Framework Convention on Climate Change
NCSA	national capacity self-assessment	USAID	U.S. Agency for International Development

All dollar amounts are U.S. dollars unless otherwise indicated.

# 1. Main Conclusions and Lessons Learned

## 1.1 Background and Objectives

Country portfolio studies (CPSs) supplement the country portfolio evaluations (CPEs) that comprise one of the main evaluation work streams of the Global Environment Facility's (GEF's) Evaluation Office. CPSs provide additional coverage of country portfolios, but with a reduced focus and scope. The purpose of CPEs and CPSs is to provide the GEF Council with an assessment of how GEF support is implemented at the country level, to report on results from projects, and to assess how these projects are linked to national environmental and sustainable development agendas as well as to the GEF mandate of generating global environmental benefits within its focal areas. CPSs have the following objectives:

- Independently evaluate the **relevance** and **efficiency** of GEF support in a country from several points of view: national environmental frameworks and decision-making processes, the GEF mandate and the achievement of global environmental benefits, and GEF policies and procedures<sup>1</sup>

<sup>1</sup> **Relevance:** the extent to which the objectives of the GEF activity are consistent with beneficiaries' requirements, country needs, global priorities, and partners' and donors' policies; **efficiency:** a measure of how economically resources/inputs (such as funds, expertise, time, etc.) are converted to results.

- Assess the **effectiveness** and **results** of completed projects aggregated at the focal area<sup>2</sup>
- Provide **feedback** and **knowledge sharing** to (1) the GEF Council in its decision-making process to allocate resources and to develop policies and strategies; (2) the country on its participation in, or collaboration with, the GEF; and (3) the different agencies and organizations involved in the preparation and implementation of GEF-funded projects and activities

## 1.2 Scope and Methodology

The Timor-Leste CPS covered GEF-financed interventions, including national projects and Timor-Leste elements of regional projects. The Timor-Leste GEF portfolio is relatively young, as the country gained independence in 2002. Therefore, the principal focus was on the completed enabling activities and projects under implementation or development, assessed in terms of their relevance. So far, the United Nations Development Programme (UNDP) has exclusively implemented Timor-Leste national GEF projects, along with several of the regional projects in which the gov-

<sup>2</sup> **Results:** the output, outcome, or impact (intended or unintended, positive and/or negative) of a GEF activity; **effectiveness:** the extent to which the GEF activity's objectives were achieved, or are expected to be achieved, taking into account their relative importance.

ernment of Timor-Leste is a partner. Hence, the study's focus was on UNDP.

The CPS used a variety of evaluation methods. Its starting point was a detailed review of public and internal documents, including those from UNDP, the GEF Evaluation Office, the government of Timor-Leste, nongovernmental organizations (NGOs), and other GEF Agencies including the World Bank and the Asian Development Bank (ADB). These documents assisted in framing and tailoring the interview protocols to the Timor-Leste context.

After the initial desk review work, a program of semistructured interviews<sup>3</sup> was drawn up with a broad range of partners in the UNDP country office, former project staff, the government of Timor-Leste, NGOs, and other international agencies and donors.<sup>4</sup> Respondents were invited to draw on their understanding and experience of project activities, challenges, and results, as well as the relevance of the portfolio of projects under development. These interviews and internal project reporting provided the major sources of primary data.

The CPS did not undertake any field-level verifications of results because of the lack of medium- or full-size projects under implementation or completed. An understanding of the issues under review was obtained through triangulation of methods—desk review of monitoring data, completed enabling activity reports, midterm and terminal evaluation reports, self-evaluations, and interviews.

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<sup>3</sup> A list of persons contacted is provided as annex B.

<sup>4</sup> Some of the meetings with international agencies and other donors were covered by other assessment of development results team members with the requisite questions on the environment provided because of clashes in the scheduling of meetings.

The Timor-Leste CPS was conducted in parallel with the UNDP Assessment of Development Results for Timor-Leste (2003–10). The lead consultant conducting the CPS was also responsible for coverage of the UNDP energy and environment portfolio. This provided advantages for both studies, including cost savings. For the CPS, it allowed a broader comparison of issues across sectors in a postconflict country in the process of building state institutions. Because the portfolio was implemented by UNDP, it provided opportunities to assess how the GEF-funded projects informed UNDP activities relating to disaster risk and response and gender equality.

### 1.3 Overview of the GEF Portfolio

As shown in table 1.1, in terms of GEF funding and cofunding, activities in the GEF portfolio are predominantly in the climate change focal area. These figures are the result of the two climate change full-size projects under preparation that have a significant level of indicative cofinance—a Least Developed Country Fund (LDCF) project addressing climate change adaptation and resilience for infrastructure and a climate change mitigation project developing biomass energy alternatives.<sup>5</sup> The land degradation focal area has had one medium-size project and so far, biodiversity focal area has only had one enabling activity. Table 1.2 clarifies the balance among activities.

UNDP exclusively implements the national portfolio, which so far has focused on enabling activities

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<sup>5</sup> Cofinancing for the LDCF adaptation project is from the government (\$2.0 million), the Local Development Fund (\$9.5 million), the UNDP Local Governance Support Project (parallel financing of \$7.75 million), the European Union (\$2.8 million), the Australian Agency for International Development (\$2.0 million), and UNDP (\$0.3 million); cofinancing for the biomass project is from the government (\$5.5 million), UNDP (\$0.57 million), Mercy Corps and Haburas (\$0.34 million), and undefined private sector contributions (\$0.6 million).

TABLE 1.1 GEF Timor-Leste National Portfolio by Focal Area and Status

Focal area	GEF funding (million \$)				Cofinancing (million \$)				Share of portfolio (%)	
	Com-pleted	On-going	Pipeline	Total	Com-pleted	On-going	Pipeline	Total	GEF funding	Total funding
Biodiversity	0.277			0.277	0.018			0.018	3.5	0.7
Climate change	0.192	0.420	6.13	6.742	0.054	0.06	31.777	31.891	87.4	95.6
Land degradation	0.475			0.475	0.557			0.557	6.1	2.6
Multifocal	0.225			0.225	0.230			0.230	2.9	1.1
Total	1.169	0.420	6.13	7.719	0.859	0.06	31.777	32.696	100.0	100.0

NOTE: POPs = persistent organic pollutants.

TABLE 1.2 GEF Timor-Leste National Portfolio by Agency, Focal Area, Modality, and GEF Support

Agency	Focal area	Number of projects	Modality	GEF support (million \$)
UNDP	Climate change	2	Enabling activity	0.612
UNDP	Climate change	2	Full-size project	6.13
UNDP	Biodiversity	1	Enabling activity	0.277
UNDP	Land degradation	1	Medium-size project	0.475
UNDP	Multifocal	1	Enabling activity	0.225

and foundational capacity-building activities. All completed projects are under the half-million-dollar level, but this will soon change once the LDCF climate change adaptation and renewable energy projects begin implementation.

In addition to these activities, Timor-Leste has participated in several regional and global projects. Most have not been under implementation for long and have yet to reach their midterm evaluations. Only one international waters project has currently started pilot or demonstration activities in the country, with another project due to start in the near future.

## 1.4 Conclusions

### RESULTS

Timor-Leste is a young country, having attained independence in 2002 after more than 400 years of Portuguese colonialism and Indonesian occu-

pation. During the country's first decade, it has emphasized security, peace building, establishing basic infrastructure, service provision, agricultural development, and food security. Environmental issues were not initially a high priority for government; however, such issues as climate change adaptation and land degradation have started to gain in prominence over the past five years as these affect local livelihoods and national development plans and investments (e.g., in agriculture and infrastructure).

So far the GEF has assisted in Timor-Leste's participation in the Convention on Biodiversity (CBD), the United Nations Framework Convention on Climate Change (UNFCCC), and the United Nations Convention to Combat Desertification (UNCCD), to which it is signatory. It is probable that without GEF funding, Timor-Leste's accession to the international conventions would have been

delayed or still pending. The enabling activities assisted in raising the awareness, defining priorities, and contributing to greater knowledge of environmental issues, threats, and risks in government development planning and policy discussions. For example, it has helped that major enabling activity outputs, such as the National Biodiversity Strategy and Action Plan (NBSAP) and the National Adaptation Program of Action (NAPA), have been presented, discussed, and approved by the Council of Ministers, thus promoting cross-sectoral consideration of environmental issues.

In the climate change focal area, the preparation of the NAPA adaptation raised the capacity to understand and map possible impacts of climate change on the country. This is now being followed up by the first national communication to the UNFCCC, which a national team is leading with inputs from regional experts emphasizing south-south cooperation in capacity building as an alternative to previous capacity-building approaches that have relied on short-term inputs of international consultants with mixed results.

In the biodiversity focal area, the GEF has only provided funding for the NBSAP, which was recently completed and assisted the government in defining its priorities for the next decade.

Timor-Leste is involved in several international waters projects, but these have yet to reach their implementation midpoints and have produced no significant results in terms of reduced stresses on the South-East Seas or Arafura and Timor Seas. For the land degradation focal area, the GEF provided support through one medium-size project that developed some individual and institutional capacity development within the Ministry of Agriculture and Fisheries (MAF), but on-the-ground pilot or demonstration activities were not undertaken, hence the practical element of capacity building was missing. Addressing land degrada-

tion and the interface with agriculture and food security and climate adaptation are priorities for the country (Government of Timor-Leste 2011b), but it remains to be seen how the knowledge (e.g., geographic information system [GIS] database and training manual) from the project will be used in future interventions.

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**CONCLUSION 1: GEF support has assisted Timor-Leste to develop foundational capacities, raising the profile of environmental issues and establishing national priorities, particularly in biodiversity and climate change.**

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GEF projects in Timor-Leste have been focused on enabling and capacity-building activities that have helped the country to fulfill its initial obligations to the UNFCCC and the CBD. The projects have raised awareness, created knowledge, and provided a forum for the government to discuss and define its environmental priorities. In doing so, the government has elaborated on the Constitution and Strategic Development Plan (2011–2030) commitments to the environment and natural resource management.

## RELEVANCE

Timor-Leste has engaged in a small and limited number of GEF activities in climate change, biodiversity, and land degradation that have enabled it to meet commitments to the conventions. The GEF has been the major funder so far for the environmental sector, although the support is modest in comparison to country needs and priorities. The relevance of the support will be enhanced with the forthcoming implementation of the LDCF climate change adaptation and biomass projects, which are closely aligned with the Timor-Leste Strategic Development Plan (2011–2030) and will support forthcoming environmental laws and policies.<sup>6</sup>

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<sup>6</sup> Basic Environment Law; Environmental Policy.

**CONCLUSION 2: GEF support in Timor-Leste has been relevant to the Constitution and Strategic Development Plan and priorities, as well as to the country's efforts to fulfill its obligations under the international agreements to which it is signatory.**

This support has covered the range of GEF focal areas for which the country is eligible—biodiversity, climate change, and land degradation. The projects have been aligned with government policies and plans for the environment, as well as providing impetus for the development of further plans and strategies that have further sharpened priorities for adaptation, biodiversity, and land degradation.

Timor-Leste has yet to ratify the Stockholm Convention on Persistent Organic Pollutants (POPs) and the other chemicals conventions, the Cartagena Biosafety Protocol, the Nagoya Protocol under the CBD, and also the United Nations Convention on the Law of the Sea and the International Convention for the Prevention of Pollution from Ships addressing international waters. Therefore, there are gaps in relevance, which provide opportunities for further progress to be made at the international and national policy levels.

## EFFICIENCY

**CONCLUSION 3: Weak capacity is a problem affecting GEF-funded projects throughout their activity cycle.**

At independence in 2002, the government's capacity was close to zero. In the last 10 years, considerable progress has been made to improve the skills, education, and knowledge of government officials across all sectors. However, a key challenge is the lack of human capacity<sup>7</sup> within the government and the lack of availability of national consultants to assist with the design and imple-

mentation management of GEF projects. Almost all of the GEF projects implemented so far have been delayed because of lack of skilled nationals to fill vacant project management or team member positions. In most cases, the UNDP country office has had to hire external international consultants or United Nations (UN) volunteers to produce outputs. While such an approach allowed outputs to be produced, the projects were constrained by national capacity shortage and by relying on short-term international expertise reduced their ability to build a broader base of national capacity. Furthermore, the Environment Unit of UNDP's country office has been affected by high staff turnover as short-term UN volunteers have left or more experienced permanent staff have transferred out of Timor-Leste. This has made it difficult to maintain continuity, which has been detrimental for relationship building and importantly knowing the country context—a key issue in postconflict or fragile situations. The lack of capacity is widely reported in other sectors and is not specific to the environmental sector.

On a positive note, the approach being developed under the first national communication to the UNFCCC is based on a national team, including expertise from within the region (such as Indonesia and the Philippines), therefore emphasizing South-South cooperation in capacity building. Other development partners have adopted this approach. For example, the German Agency for International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit, GIZ) is having Timorese forestry guards sent for training to Indonesia where the forestry context is similar; hence, they come back with skills that can be applied in the Timor-Leste context.

<sup>7</sup> Lack of education, skills, and work experience.



## 1.5 Lessons Learned

**LESSON 1: The GEF project approach is challenging for Timor-Leste, given its transition out of fragility. A longer term engagement or a programmatic approach may reduce the administrative burden and improve continuity.**

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In Timor-Leste, the portfolio of individual projects may add up to less than the sum of its parts as projects lack a cohesive approach and longer time scale of engagement, required to build capacities in a country coming out of a conflict situation. Developing a program with the country may enable more predictable longer term support to government priorities, rather the “start-stop-start” approach of individualized enabling activities or full- or medium-size projects.

Fragility is a long-term challenge that requires long-term engagement to understand and operate in a transition context. In this regard, the GEF could learn from other development partners that have adopted principles for engagement with fragile states. The GEF should study these principles and identify which ones are relevant for GEF support and where necessary include these principles in future support. The evaluation shows that the following key principles would have been, and are, relevant to GEF support in Timor-Leste: (1) taking context as the starting point, particularly

with regard to capacity constraints; and (2) staying engaged long enough, given the fact that capacity building through short-term projects may be counterproductive, when “it will normally take ten years” or more to build capacity.<sup>8</sup>

**LESSON 2: Livelihood linkages to environmental management are key for the development of the GEF portfolio in Timor-Leste.**

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It is important for forthcoming projects to develop tangible incentives and linkages between poverty reduction/sustainable livelihoods and environmental management, given that more than 80 percent of Timor-Leste’s population live in rural areas and depend on natural resources for their livelihoods and with 40 percent living below the poverty line. The forthcoming introduction of the GEF Small Grants Programme (SGP) in Timor-Leste will offer opportunities to learn from community-based sustainable livelihoods projects in other countries within the region to draw inspiration for the development of Timor-Leste to link local and global benefit activities. An initial entry point is likely to be agriculture—slash and burn practices and land degradation—which also link with pressure on forest resources and biodiversity.

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<sup>8</sup> [http://www.oecd.org/document/12/0,3746,en\\_2649\\_33693550\\_42113676\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/12/0,3746,en_2649_33693550_42113676_1_1_1_1,00.html), accessed February 2012.



## 2. Study Framework and Context

### 2.1 Methodology

The Timor-Leste CPS methodology combined desk reviews with interviews with key stakeholders involved in project implementation. It started with a detailed review of documents relating to development assistance and environmental status in Timor-Leste,<sup>1</sup> including those from ADB, UNDP, the World Bank, and the government of Timor-Leste. These documents yielded initial data sets that provided relevant information on the status and emerging results of projects, as well as informing key questions for stakeholders.

After the desk review work, interviews were held with the GEF focal point, the UNDP country office, and the government (the MAF and the Ministry of Economy and Development), project managers, former project managers, UNDP country office staff, and NGOs. Respondents were invited to draw on their understanding and experience of activities, projects, processes, challenges, and results. These interviews provided the primary data, which was supported by the secondary documentary data. Limited use was also made of Skype and email communication with UNDP country office staff who were not in the country at the time of the mission.

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<sup>1</sup> See references.

The CPS did not undertake any field verification. This limitation was for several reasons. First, the CPS is a “scaled-down” version of the GEF Evaluation Office Country Portfolio Evaluation approach and has a relatively limited budget and resources. Second, several projects were at early stages of implementation or had not started. Third, many activities fell into the category of “enabling,” capacity building, or policy support and were not intended to have discernible field-level activities or outcomes.

Triangulation was used to obtain a consistent understanding of the data and to reduce bias in several ways. First, evidence and perceptions from the Agencies (primarily the UNDP country office) was compared and contrasted with that from the government. Second, data contained in reports were as far as possible compared and contrasted with interview data.

Limitations were because of the absence of completed full- or medium-size projects and the lack of a former enabling activity project and UNDP country office staff available for interviews (resulting from a high turnover, which caused a lack of institutional memory). For the regional projects, it proved difficult to identify and contact the persons involved, particularly with the ADB-implemented Coral Triangle project (Protected Areas Strengthening Coastal and Marine Resources Management in the Coral Triangle of the Pacific—under the Pacific Alliance for Sustainability Program, GEF ID 2586).

## JOINT EVALUATION WITH UNDP ASSESSMENT OF DEVELOPMENT RESULTS

The joint evaluation with the UNDP assessment of development results was beneficial at several levels. First, it enhanced the understanding of the context of other sectors, such as governance, justice, and poverty reduction, which allowed for comparison with the environmental sector. This was particularly useful on issues of overall country context with the ongoing transition from fragility to stable development, and specific challenges associated with the transition, such as weak capacity, government coordination, and issues internal to the UNDP country office. Second, the joint evaluation allowed the non-GEF environmental portfolio of UNDP to be compared and contrasted with that of GEF, and inform projects under development. For example, an ex-post field verification was undertaken of the Participatory Renewable Energy Development Project, which focused on the piloting of solar photovoltaic systems and biogas. The U.K. Department for International Development (DFID) and UNDP funded this project. The field verification provided data for the UNDP assessment but also an input into the design of the GEF full-size biomass project under development by UNDP (specific details are provided in chapter 5). Finally, the joint evaluation allowed the environment to be covered in more depth in the UNDP assessment, and it allowed for the pooling of resources to reduce the overall costs for the GEF Evaluation Office and the UNDP Evaluation Office of the consulting inputs.

### 2.2 Key Questions

According to the standard terms of reference for GEF CPSs,<sup>2</sup> the studies are guided by the following

<sup>2</sup> Attached as annex A.

key questions. In view of the limitations on such studies, each CPS will report only on those that are appropriate and for which sufficient information could be found:

- Effectiveness, results, and sustainability
  - What are the results (outcomes and impacts) of completed projects?
  - What are the aggregated results at the focal area and country levels?
  - What is the likelihood that objectives will be achieved for those projects that are still under implementation?
  - How successful is the dissemination of GEF project lessons and results?
  - What is the sustainability of GEF-supported activities?
- Relevance
  - Is GEF support relevant to the national sustainability development agenda and environmental priorities, national development needs and challenges, and action plans for the GEF's national focal areas?
  - Are the GEF and its Agencies supporting environmental and sustainable development prioritization, country ownership, and the decision-making processes of the country?
  - Is GEF support in the country relevant to the objectives linked to the various global environmental benefits in the biodiversity, climate change, international waters, land degradation, and POP focal areas?
  - Is the country supporting the GEF mandate and focal area programs and strategies with its own resources and/or with support from other donors?
- Efficiency
  - How much time, effort, and financial resources does it take to formulate and implement projects, by type of GEF support modality?

- What role do monitoring and evaluation play in increasing project adaptive management and overall efficiency?
- What are the roles, types of engagement, and coordination among different stakeholders in project implementation?
- What are the synergies for GEF project programming and implementation among GEF Agencies, national institutions, GEF projects, and other donor-supported projects and activities?

It was not possible to answer some of the questions above related to effectiveness, particularly “How successful is the dissemination of GEF project lessons and results?” and “What is the sustainability of GEF-supported activities?” because of the immaturity of the portfolio with only four completed national projects of which three were enabling activities with no specific emphasis on issues of sustainability. Furthermore, it was difficult to aggregate results when in the biodiversity and land degradation focal areas there was only one project each. Where possible, the evaluation has attempted to draw out similar issues across the portfolio, such as issues related to capacity building (see chapters 4 through 6).

### 2.3 Timor-Leste Economic, Social, and Political Context

Timor-Leste is a small island developing state, with a land area of 14,874 square kilometers.<sup>3</sup> It is located in the east of the Indonesian archipelago and comprises the eastern half of the island of Timor; the nearby islands of Atauro and Jaco; and Oecusse, an enclave on the northwestern side of the island within Indonesian West Timor. It is about 640 kilometers northwest of Australia

<sup>3</sup>Total length of 265 kilometers with a maximum width of 97 kilometers. Timor-Leste is slightly larger than Cyprus or Jamaica but smaller than Fiji.

and 780 kilometers west of Papua New Guinea. The island is dominated by the central mountain range of Ramelau, with over 40 percent of the total country area having a slope of more than 40 percent. There are flat coastal plains, mostly along the southern coastline, but on the northern coast, the mountains either fall directly into the ocean or there are narrow plain areas, such as those found around Dili. The local climate is tropical and generally hot and humid, characterized by distinct rainy and dry seasons. The island lies in the tropical cyclone belt and has been subject to significant damage and loss of life from tropical storms because of landslides and flooding. In 2010, the estimated population was 1,066,582 at a density of 76 people per square kilometer. The country population has grown by over 20 percent in the past decade because of a high birth rate and returning refugees from West Timor. The urban population is mainly concentrated around Dili with a population of approximately 200,000. Other urban areas include Baucau, Manatuto, and Liquica.

Timor-Leste was a Portuguese colony from the 16th century and was known as “Portuguese Timor” until Portugal’s decolonization of the country. In 1975, Timor unilaterally declared its independence, but later that year, Indonesia invaded and occupied it. Subsequently, the Indonesian government declared Timor as the 27th province of Indonesia. Between 1975 and 1999, the country was affected by armed conflict, internal displacement of the population, and killings as the Timorese resisted integration into the Indonesian state. In 1999, following internal changes within Indonesia favoring democracy, the UN was requested to organize and supervise a referendum in August 1999 to decide if Timor wished to become either an autonomous province within Indonesia or become an independent nation state. The population voted overwhelmingly for independence. After the 1999 vote, a wave of violence conducted by Indonesian paramilitaries beset the country, in which over 70

percent of the infrastructure was destroyed and basic health, education, and other government services ceased to function because of the withdrawal of all Indonesian government workers. Through the UN Security Council, peace and security were restored in the country. The UN directly governed the country until 2002 when free elections led to the establishment of a representative government.<sup>4</sup> At that time, stability returned to the country as the UN and other development partners assisted the country in building capacities to further improve governance (parliamentary and judicial reform) and to provide basic services (security, education, and health), which resulted in a draw-down of the UN military and police operations in Timor-Leste by 2005. There was a significant post-independence growth spurt until 2005 and then a contraction because of the political crisis in 2006, which resulted in renewed violence and internal displacement of nearly 155,000 people. The UN again sent a military and police force to Timor-Leste to assist in reestablishing law and order.<sup>5</sup>

The World Bank classifies Timor-Leste as a lower-middle income country (LMIC), with an estimated 2010 gross domestic product (GDP) per capita of \$2,600. The main reason that the country has achieved LMIC status is due to oil and gas sector revenues (deposited into the Petroleum Fund) from the Timor Sea fields.<sup>6</sup> The non-oil GDP per capita is much lower at around \$600 (UNDP 2012). The Gini coefficient at 38 (2002 estimate) reflects a

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<sup>4</sup> Independence on May 20, 2002, officially ended nearly 500 years of colonial domination.

<sup>5</sup> The current UN military mission is due to end after the 2012 presidential and parliamentary elections.

<sup>6</sup> A number of oil companies are involved in extraction and exploration in the Timor Sea, including Woodside Petroleum, which operates the Sunrise and Troubadour fields, with planned expansion into the Greater Sunrise field. See <http://www.woodside.com.au/Our-Business/Sunrise/Pages/default.aspx> (accessed January 2012).

medium level of economic inequality. The Human Development Index is 0.499 (2011), which places Timor-Leste 147th out of 187 countries (reporting data) in the world, in the lower ranks. Despite strong development partner support between 2002 and 2007, poverty levels increased, with 50 percent of the population living on less than \$1 per day in 2007; however, this is now down to about 40 percent in 2011.

The labor force in 2009 was some 0.4 million, with an estimated unemployment rate of 18 percent, although youth unemployment is reported to be higher, at between 25 and 40 percent.<sup>7</sup> The main employment sectors are agriculture, soap production, handicrafts, woven cloth, coffee, and vanilla production, aside from the oil and gas sector. The real growth rate declined to 6.1 percent in 2010 because of adverse weather affecting agricultural production, from 12.9 percent in 2009 and 11 percent in 2008 when the economy was supported with strong oil revenues. Inflation in 2010 stood at about 5 percent (IMF 2012).

Timor-Leste's economy has not been substantially affected by the global financial crisis mainly because the government has significant foreign exchange with more than \$7 billion in the Petroleum Fund—with oil and gas reserves valued at a further \$24.3 billion or \$22,000 per capita. The Petroleum Fund was established as a “sovereign wealth fund” in 2005 with capital of \$205 million and has exhibited dramatic growth to \$7 billion as of the middle of 2011 because of the inflow of oil and gas revenues and earnings from investments of 4 percent per year.<sup>8</sup> Unlike other LMIC or least developed countries, Timor-Leste does not owe significant debt to external creditors. It does have

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<sup>7</sup> See CIA (2013), World Bank (2011), and YEP (2010).

<sup>8</sup> See <http://www.swfinstitute.org/swfs/timor-leste-petroleum-fund/> (accessed February 2012).

a significant surplus of funds, which is currently being drawn on to finance public expenditure, particularly on infrastructure. More oil and gas reserves have been discovered. Although the finds are significant for Timor-Leste, they do not make it a top tier oil producer or an upper-middle-income country.<sup>9</sup> Over 95 percent of government revenues and about 80 percent of gross national income come from oil and gas, making Timor-Leste the most resource-dependent country globally (IMF 2012). The International Monetary Fund recently concluded that the “overarching challenge for Timor-Leste is to manage the petroleum wealth effectively to raise growth and living standards on a sustainable basis.” The UNDP *Timor-Leste 2011 Human Development Report* (UNDP 2011) delivered a similar message.

Despite the considerable progress and achievements that have been made since independence with regard to governance and economic development, the country currently experiences weaknesses relating to a serious shortage of qualified and trained professionals in both the public and private sectors. The government is weak in many areas, including the environmental sector, and contributes to inefficiencies in government service delivery and projects supported by development partners (see chapters 4 and 6). Furthermore, the World Bank reported that there are growing concerns about corruption within the context of revenues coming from the oil sector and low capacity within the government to efficiently control the delivery of services and infrastructure construction. At the same time, such development partners as ADB and the World Bank, and bilateral agencies have scaled back direct engagement through projects as oil and gas revenues make Timor-Leste less dependent on foreign assistance.

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<sup>9</sup> Proven oil reserves are on par with that of Equatorial Guinea at approximately 1 billion barrels; this could change with further exploration.

These development partners have switched to providing technical assistance to further address capacity challenges so that the country can move toward sustainable development. This is set against the backdrop of increasing government’s frustration with the bureaucratic processes of development partners and the modest delivery of benefits relative to size of investments (World Bank 2011).

Poor infrastructure (roads, power supply, and accessibility) hampers Timor-Leste. The government is now committed to rectifying this situation, and infrastructure development is a major part of the government’s Strategic Development Plan 2011–2030 (see chapters 4 and 5). However, government rules and regulations regarding business development, investor protection, and land tenure do not encourage private sector development and non–oil sector foreign direct investment. The World Bank *Doing Business* reports for 2010 and 2011 ranked Timor-Leste 174 out of 183 countries surveyed (the ninth worst). For example, it takes on average 83 days to complete the process for registering a company and requires \$5,000 in minimum capital (921 percent of the annual gross national income per capita).<sup>10</sup> Lastly, poverty remains a persistent challenge with an increasing urban-rural divide. Timor-Leste participatory assessments have shown that poverty results not only from lack of income and subsequent low levels of consumption, but also from lack of access to such services as health and education, and market opportunities. The following exacerbate poverty: isolation from services, persistent and increasing susceptibility to climate-induced natural disasters (particularly landslides and flooding), poor harvest, lack of security, and diseases.<sup>11</sup>

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<sup>10</sup> See <http://www.doingbusiness.org/data/exploreeconomies/timor-leste/> (accessed February 2012).

<sup>11</sup> For a more detailed discussion of poverty characteristics in Timor, see UNDP (2011).

Since 1999, international development partners have had a strong presence in Timor-Leste, led by the UN, which played a critical role in the reestablishment of peace and security. Development assistance since independence in 2002 has focused on reconstruction of infrastructure (such as schools, hospitals, roads, and ports), restoration and extension of electric power, and water and sanitation, alongside a focus on building the capacity of government institutions across all sectors. Development assistance has come in the form of grants, technical assistance, and policy advice. Between 2002 and 2011, Timor-Leste received approximately \$3.6 billion in development assistance from about 20–30 bilateral donors (particularly Australia, the European Union, Japan, and the United States) and multilateral organizations (UN agencies, ADB, World Bank, and the International Monetary Fund). However, it has been estimated that approximately 90 percent of the assistance has been spent on international salaries for foreign soldiers and police, consultants, overseas procurement, imported supplies, and administration, with only \$550 million actually entering the Timorese economy.<sup>12</sup>

GEF support commenced in 2004 through UNDP with the National Capacity Self-Assessment (NCSA) for Global Environment Management (GEF ID 2208), which allowed the government to identify challenges, priorities, and opportunities and the need for ratification of the environmental conventions. The 2006 political crises interrupted the development of the GEF portfolio, but from 2007 UNDP country office has played the major role in assisting the government to ratify the CBD and the UNFCCC and meeting the initial reporting obligations through GEF-funded national communications, plans, and strategies (see sec-

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<sup>12</sup> See La'o Hamutuk (2009). Based on official data from development partners, OECD, UN General Assembly reports, and government reports, among others.

tion 2.5). Other development partners have tended to focus on infrastructure, security, and basic service provision, and only more recently turned some attention to environmental issues, particularly climate change adaptation and resilience as it relates to infrastructure, food security, and disaster risk reduction (such as the Australian Agency for International Development [AusAid], the European Union [EU], and U.S. Agency for International Development [USAID]).<sup>13</sup> UNDP is the only GEF Agency with in-country environmental expertise with a joint Poverty and Environment Unit. UNDP has been engaged in the environmental sector since before independence with an initial environmental assessment undertaken in 2001.<sup>14</sup>

## 2.4 Timor-Leste's Natural Environment

Timor-Leste is positioned within the biodiversity hotspot, known as Wallacea, which harbors a number of globally significant ecosystems and endemic species. The country has considerable coastal marine resources in the form of pristine fringe reefs combined with mangrove forest, which are found predominantly along the southern coast and patches of the northern coast, and are part of the Coral Triangle hotspot.<sup>15</sup>

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<sup>13</sup> AusAID (2012) and USAID (2013). Funding from the European Union comes through the regional Pacific Fund for Climate Change.

<sup>14</sup> UNDP's initial work—"Assessing Environmental Needs and Priorities in East Timor" (2001)—identified watershed management (sustainable land management), coastal zone management, public awareness and education, and solid waste and pollution as key areas for action before independence. Many of these issues remain relevant priorities for action in 2012.

<sup>15</sup> The Coral Triangle, which includes Indonesia, Malaysia, Papua New Guinea, the Philippines, and Solomon Islands, is a marine biodiversity hotspot where 75 percent of the known coral species are found and the largest tuna fishery in the world is located.



The terrestrial environment was originally closed canopy subtropical forest; however, this has been significantly altered by a combination of natural and anthropogenic factors over the last 5,000–6,000 years. Commercial exploitation of the forests for sandalwood began during the Portuguese colonial period and then further clearances were made under the Indonesian occupation both for timber export and to deny cover to the independence fighters, which resulted in destruction of much of the primary forest cover (UNDP 2001, 2009, 2011; World Bank 2009b).

The government and development partners<sup>16</sup> have identified the following environmental threats to the country:

- **Deforestation** caused by overexploitation and unsustainable agricultural practices, primarily traditional slash-and-burn farming, demand for wood fuel for cooking, and the legacy of timber extraction during the Portuguese colonial and Indonesian occupation.<sup>17</sup> The rate of deforestation between 1990 and 2005 was 1.2 per year, which was more than double that of Brazil and among the highest in the world.
- **Land degradation** caused by a combination of slash-and-burn agriculture, overgrazing, and deforestation has resulted in soil erosion and landslides. This is coupled with prevalence of steep and mountainous terrain, shallow soils, and monsoon storms that are often characterized by torrential downpours with high winds, which significantly increase risks of soil erosion and localized landslides. Approximately 30 per-

cent of the country is classified as partially or severely degraded.

- **Climate change risk**—notably greater variation and intensity of droughts, monsoon storms, and cyclones—is likely to exacerbate land degradation, deforestation, and food insecurity, as well as increase the risks of catastrophic localized damage to rural and urban infrastructure, particularly roads and bridges.
- **Energy and biomass use** within urban and rural households is predominantly based on wood fuel for cooking and is a major cause of respiratory diseases (indoor air pollution), as well as placing further pressure on forest resources and contributing to deforestation and land degradation. At present it is not a major driver of deforestation and degradation, especially when compared to clearing of the land for agriculture.
- **Water resources and use** are critical issues affecting the country. Water supply, and in particular lack of water in the dry season, is the most important environmental constraint for the whole country for agriculture and public domestic consumption. In urban areas, there is significant reliance of bottle water, which contributes to the growing plastic waste problem.<sup>18</sup>
- **Solid waste management** has been a problem in urban areas since independence. There is no effective waste management system in place for collection, treatment, or destruction.

At present about 80 percent of the population (800,000 people) live in rural areas and are dependent for their livelihoods on land, forest, or marine

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<sup>16</sup> World Bank, UNDP, and ADB, among others.

<sup>17</sup> The Portuguese colonial government banned cutting and export of sandalwood in the mid-1920s because of unsustainable harvesting. Ebony and teak species were also greatly reduced during the Indonesian occupation and are now considered rare.

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<sup>18</sup> The inappropriate disposal of plastic water bottles is evident in Dili and along the coastline, with plastics becoming an increasing solid waste challenge.

resources as subsistence farmers and fishers. Hence, there is a strong link between the environment and livelihoods, but with this link, there is increasing pressure on resources. A 2008 World Bank study estimated that a population growth of approximately 2.5–3.5 percent per year will result in an expansion in agricultural land through the conversion of forest resources and further deforestation (World Bank 2008).

A lack of reliable data on land cover categories and changes constrains an understanding of the precise scale of environmental threats in Timor-Leste. For example, a World Bank 2009 environmental analysis pointed out that the Bank's Country Assistance Strategy (2005) reported that 76 percent of the land was covered in secondary forest (World Bank 2009b). However, UNDP in 2001 using 1999 satellite images found that only 16 percent of the country was covered in dense forest and 65 percent had no forest cover of any sort. The government's 2006 assessment relied on 1993 Indonesian aerial photography that indicates more than 50 percent of the land cover is forest, but most of this is secondary forest. In contrast to this report, the 2011 fourth national report to the CBD states that 35 percent of the land area is secondary forest and that only 1–6 percent primary forest remains (Government of Timor-Leste 2011a). Whichever data set is used, they all seem to indicate that the country has lost most of its primary forest cover.

In terms of overall environmental management, progress has been made since independence with regard to the establishment of institutions, such as the State Secretariat for the Environment (SEMA) and the MAF, that have primary responsibility for environmental management, alongside policy development and ratification of the conventions. However, insufficient financial and human government resources have placed serious constraints on the establishment of environmental management, agricultural extension, and others at the

district and local level, coordination, planning, and prioritization of the environment across government ministries, and environmental awareness among the population. These situations have so far limited the extent to which tangible improvements in the country's environment have been realized. In short, with some justification, the government's priority during the country's first decade after independence has been security and peace building, governance, basic services, and infrastructure. Consequently, the government has not made the environment a strong priority, although the environment is gaining in prominence in the last couple of years.<sup>19</sup>

## BIODIVERSITY

Timor-Leste is positioned with the Wallacea biodiversity hotspot, which contains a high level of bird endemism, despite its relatively small land area. The geographical position of Timor-Leste also places it within a marine hotspot known as the Coral Triangle, which contains over 70 percent of the world's coral species. Timor-Leste has a diverse environment and physical geography, which supports a great variety of forest types: coastal, swamp, mangrove, moist lowland, moist submontane, and limestone forest.

No recent and complete recent surveys of Timor-Leste exist because surveys of flora and fauna were difficult to undertake during the period of civil unrest. Available data from 1885 indicated that there were 983 plant species. Most recent partial studies indicate that plant endemism is low and estimated at 10.3 percent. Based on surveys by Birdlife International, there are about 262 bird species present, of which 35 are with restrict ranges, 23 are confined to Timor-Lest and the Indonesian island of Wetar, 5 are threatened with global extinction, including the

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<sup>19</sup> Interview data.



yellow-crested cockatoo (*Cacatua sulphurea*), which is critically endangered, and a further 15 species are near threatened. In terms of reptiles, 15 species of snakes have been documented, although none are considered threatened. Furthermore, Timor-Leste has populations of saltwater crocodiles (*Crocodylus porosus*), which are reported to be healthy and growing. The nonbird fauna of Timor-Leste has been insufficiently surveyed and studied, but recent studies have been documenting new species of frogs, geckos, and skinks, indicating that there may be levels of endemism approaching 25 to 50 percent but more research is required. There are no large mammals present on Timor-Leste. There are only two documented endemic species: the Timor rat (*Rattus timorensis*) and the Timor thin shrew (*Crocidura tenuis*). Some of the key features of Timor-Leste biodiversity at the species level are summarized in table 2.1.

The biodiversity of Timor-Leste marine and coral reef environments has yet to be extensively surveyed; however, preliminary research indicates that about 10 critically endangered or vulnerable species are found in coastal waters (table 2.2).

The first protected areas in Timor-Leste were established soon after independence in 2000 when the UN Transitional Administration in East Timor passed Regulation No. 2000/19, On Protected Places. The administration declared 15 protected

wild areas, which were defined on maps but not demarcated on the ground, and focused on generally protecting remaining areas of forest, mountainous areas, and key watersheds. The government adopted this regulation in the constitution following independence in 2002. Between 2002 and 2007, the government worked with UNDP and with assistance from the International Union for the Conservation of Nature (IUCN) and Birdlife International, to identify other areas of significant biodiversity. This resulted in the gazettelement of the Nino Konis Santana National Park in 2008, which covers 680 square kilometers and includes most of the undeveloped evergreen tropical forest and secondary drier forests. It also includes marine areas with important coral reefs around Jaco Island. Fifteen more protected areas have been added up to 2011, bringing the entire network to 30, and further supplemented by the identification of 16 Important Bird Areas (IBAs), these areas include Mount Perdido, which has the richest bird biodiversity in Timor-Leste. Birdlife International and the government of Timor-Leste commented on Mount Perdido:

The IBA almost certainly hosts the largest populations of hill and montane bird species on Timor Island. Of the 22 endemics, one is globally threatened—the endangered Timor Imperial-pigeon *Ducula cineracea*—and eight are Near Threatened, including Slaty Cuckoo-

TABLE 2.1 Unique and Threatened Species in Timor-Leste

Class	Total number of species	Number of threatened species	Number of endemic species
Higher plants	983	9 (estimated) <sup>a</sup>	Unknown
Mammals	Unknown	Unknown	2
Birds	262	3–5	32
Reptiles	100 (estimated)	Unknown	5–10 (estimated)
Amphibians	50+ (estimated)	Unknown	33 (estimated)
Fish	Unknown	Unknown	1

SOURCE: Data extracted from Government of Timor-Leste 2011a.

a. Including sandalwood, ebony, and teak.

TABLE 2.2 Endangered Marine Species and Levels of Risk

Taxonomic name	Common name	IUCN category
<i>Chelonia mydas</i>	Green turtle	EN
<i>Eretmochelys imbricata</i>	Hawksbill turtle	CR
<i>Demochelys coriacea</i>	Leatherback turtle	CR
<i>Carretta carretta</i>	Loggerhead turtle	CR
<i>Lepidochelys olivacea</i>	Olive turtle	EN
<i>Dugong dugon</i>	Dugong	VU
<i>Physeter catodon</i>	Sperm whale	VU
<i>Tursiops truncatus</i>	Bottlenose dolphin	DD
<i>Rhincodon typus</i>	Basking shark	VU
<i>Tridacna derasa</i>	Southern giant clam	VU

NOTE: CR = critically endangered; DD = data deficient; EN = endangered; VU = vulnerable.

dove *Turacoena modesta* and Chestnut-backed Thrush *Zoothera dohertyi*. Small numbers of Critically Endangered Yellow-crested Cockatoo *Cacatua sulphurea* are also present. Possibly the most exciting discovery was a population of Pygmy Blue-flycatcher *Muscicapella hodgsoni* on the upper slopes, 1,700 kilometers or more from the nearest known populations in Kalimantan and Sumatra.<sup>20</sup>

The total protected area system is 3,200 square kilometers, of which 2,000 square kilometers is the terrestrial protected areas network being about 15 percent of the total land area of the country. Management of the protected areas system comes under the MAF's Department of Protected Areas and National Parks. Only the Protegida Reserva De Tilomar has been completely demarcated, with the remaining protected areas awaiting on-the-ground implementation.

Resources and personnel are presently insufficient to allow for effective management of the protected

<sup>20</sup> Birdlife International (2009).

areas system.<sup>21</sup> People are resident in many of the protected areas; hence, community involvement and opportunities for comanagement (through IUCN Category V and *Tara bandu*<sup>22</sup>) have been identified (Government of Timor-Leste 2011a) as removal and resettlement of people from protected areas is likely to prove socially and politically difficult and costly. With the exception of Birdlife International, no other international conservation NGOs have been working in Timor-Leste, although Conservation International will be opening an office in the near future and will concentrate on coastal and marine biodiversity programs (within the Coral Triangle initiative). Basic environmental legislation was put in place by the UN Transitional Administration in East Timor, but this is now in the process of being updated and elaborated upon by the government (see section 2.5).

In summary, Timor-Leste has made significant steps in its first decade to establish a protected areas system and to carry out initial surveys and research to document its biodiversity. Gaps in knowledge remain, particularly with regard to coastal and marine biodiversity. Legislative and policy development is ongoing, but there are scant financial and human resources available to manage the protected areas system. Establishing an appropriate level of government budgetary support and

<sup>21</sup> Interviewees reported that the Department of Protected Areas and National Parks had only six guards to protect 30 areas. The operational budget was approximately \$10,000 per year.

<sup>22</sup> *Tara bandu* is a Timor-Leste customary law predicated on traditional ecological wisdom. It involves an agreement with a community to protect a special area for a period of time. It also applies to the harvest of agricultural produce, cutting of trees or collecting of forest products, and hunting and fishing. It is also used as a means to regulate social behavior. *Tara bandu* also means "hanging law," and requires a large public ceremony following a public meeting that determines particular penalties or sanctions for particular activities. This traditional law is a recognized management strategy and is observed in several communities of Timor-Leste.

building the capacity of a cadre of officials both in Dili and in the districts and protected areas will be key challenges in the country's second decade.

## INTERNATIONAL WATERS

Approximately 1,200 square kilometers of marine area (coral reefs and mangroves) or approximately 12–15 percent of the country's archipelagic waters fall under the protected areas system. These protected areas are expected to provide important ecosystem functions and services to Timor-Leste's economy, in terms of protecting key nurseries for fisheries. Over 100 rivers flow from the highlands into the coastal zone, but discharges are erratic and fast flowing because of the steep topography and climate. Twelve rivers are considered the main systems in the north and 17 in the south, but few flow year-round because of pronounced differences in wet and dry season rainfall. Because of deforestation, many of the rivers deposit significant amounts of silt into adjacent coastal zones, adversely affecting water quality. Coral reefs are of major social, economic, and biophysical importance. Reef zone is characterized by narrow flats of 50–60 meters but sometimes up to 1 kilometer and dominated by sea grass, and sometimes backed by mangrove forest. The north coast has fewer patches of coral reef, with the east and southern shore being richer in resources. The reefs act as natural barriers by protecting coastlines from erosion and are a source of food and income for local communities, but almost all fishing is presently for subsistence and of low intensity. It is estimated that about 10,000 people are engaged in some level of marine resource use. Most commercial fishing stopped after 1999 when Indonesian fishers departed following the independence referendum. Furthermore, as there has been little industrial development along the coast, pollution levels have been low, therefore protecting fringing reefs from damage.<sup>23</sup> Total mangrove cover

<sup>23</sup> Thomas (2011).

is small and confined mainly to the region between Tibar and Manatuto.

There are 24 key wetland sites that have been identified as environmentally significant and in need of conservation and resource management. However, Timor-Leste has yet to sign and ratify the Ramsar Convention and put in place legislation and policies for protected and managed marine and coastal resources (see section 2.5). Timor-Leste has also yet to sign the various international waters conventions, such as the United Nations Convention on the Law of the Sea and the International Convention on the Prevention of Pollution from Ships.

The GEF focal areas of international waters and biodiversity are closely interrelated in Timor-Leste. The country's coastal and marine biodiversity offers potential major contributions to the global environment, which are largely addressed through its participation in the international biodiversity agreements described in section 2.5.4 below and through its more recent participation in three GEF-funded international waters projects focused on the Arafura and Timor Seas, the South East Asia Seas, and the Coral Triangle (see chapter 4).

## CLIMATE CHANGE

In terms of climate change mitigation through reducing or avoiding carbon emissions, Timor-Leste currently does not have accurate baseline data as its initial communication to the UNFCCC is currently under preparation. Overall emissions are estimated to be low at approximately 0.02 tons of carbon dioxide per capita because of the small population, lack of industrial development, consumption, and limited use of transport and access to grid electricity. Currently most of the population rely on wood fuel as the primary energy source for cooking and heating. The energy and power sector is one area where the government has committed to make significant investment (from the

Petroleum Fund) in Electricidade de Timor-Leste, which includes a new power station (to the east of Dili), and renewable energy. The power station, which is nearing completion, has been enabled to be fueled with oil and natural gas and will supply power to most of the key urban areas along Timor-Leste's coast. The government plans to connect approximately 80 percent of the population to the national grid, with the remaining 20 percent to be supplied with renewable energy through a mix of microhydro, solar photovoltaic, and perhaps wind. The UNDP Participatory Renewable Energy Development Project assisted the government's State Secretariat for Energy Policy in developing a rural energy policy, which highlighted opportunities for microhydropower, solar photovoltaics, and biogas (UNDP 2009). Subsequently the government has been encouraging the development of a solar market with the involvement of NGOs (e.g., Mercy Corps). The government of Norway has worked with Electricidade de Timor-Leste to develop a pilot microhydropower facility at Gariuai.<sup>24</sup> Further potential sites are being identified through development of a hydropower master plan, development of legal frameworks, and capacity building (Norad 2010).

The majority of government and development partner focus is on climate change adaptation given the country's susceptibility to extreme climatic events. Hence, with the recent completion of the NAPA, the focus is on climate proofing small- and large-scale infrastructure developments, particularly roads and bridges. This will involve an integrated and cross-sectoral approach involving the Ministries of Agriculture and Fisheries, Infrastructure, and Economy and Development.

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<sup>24</sup> This facility was severely damaged by a landslide in 2009, which destroyed the penstock.

## OZONE-DEPLETING SUBSTANCES

Timor-Leste acceded to the Montreal Protocol on the phaseout of ozone-depleting substances (ODS) and associated amendments in September 2009 with entry into force in December 2009. At the time Timor-Leste has not established legislation, regulations and licensing systems for controlling the import and use of ODS. In order to comply with the Montreal Protocol control measures on ODS phaseout, SEMA issued a government notification<sup>25</sup> to ban the import of ODS and ODS-based equipment in effect from December 1, 2010.

Phase I of the institutional strengthening funding by the Multilateral Fund was approved in October 2009. With this support, a national ozone unit was established under the Ministry of Economy and Development. Public information and communication programs were organized to raise awareness on the Montreal Protocol and the phaseout of ODS. ODS importers, retailers, and the refrigeration servicing sector are aware of the hydrochlorofluorocarbons (HCFCs) phaseout and the bans on chlorofluorocarbons. Concerns were raised about the impact of HCFC phaseout on the economy. Hence, the Multilateral Fund was requested to provide funds for training, communication, and assistance as part of the HCFC phaseout planning process. A country program was submitted to the Multilateral Fund in March 2011 by the Ministry of Economy and Development. The government now plans to establish licensing and import and export quotas to control the use of HCFCs, with a view to phasing out use.<sup>26</sup>

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<sup>25</sup> MED/NOU/2010.

<sup>26</sup> See UNEP (2011).

## PERSISTENT ORGANIC POLLUTANTS

Timor-Leste has yet to accede to and ratify the Stockholm Convention on POPs and the other chemicals conventions. However, it has taken early steps to regulate the use of fertilizers and pesticides with the drafting of two laws, which are currently awaiting approval by the Council of Ministers (see section 2.5). Hence, the government is in a good position to address pesticide POPs should it seek to accede and ratify the Stockholm Convention in the near future.

The status of the use of other POPs, including polychlorinated biphenyls (PCBs) is unknown. The evaluation did visit the old Dili power station to conduct an informal inspection of old transformers stored on site. It was found that those with production labels postdated the use of PCBs, and hence probably pose a relatively low risk. However, many transformers and switch gear labels indicate that they contain sulfur-hexafluoride (SF<sub>6</sub>), which is a potent ODS and the most potent greenhouse gas with a global warming potential of 22,800 tons per ton of SF<sub>6</sub> over 100 years. SF<sub>6</sub> is an extremely stable chemical with an atmospheric lifetime of between 800 and 3,200 years; hence its warming potential has considerable longevity. SF<sub>6</sub> control and phaseout is addressed under the Montreal Protocol, but it has been used in the past to replace PCBs—a switch of one hazardous chemical for another.

## DESERTIFICATION AND LAND DEGRADATION

Given Timor-Leste's geographical position, the country does not fall into the mainstream of countries facing desertification; however, it faces serious problems of land degradation, particularly associated with deforestation of parts of its uplands and mountain areas and fragile soils.

## 2.5 The National Environmental Legal and Policy Framework<sup>27</sup>

The environmental and legal and policy framework in Timor-Leste is still under development with the draft basic law on the environment and environmental policy currently being discussed and subject to consultation.<sup>28</sup> Laws and policies addressing other related issues (e.g., use of fertilizers, pesticides, biodiversity, and water) are at various stages of drafting and consultation. All laws and policies need to be approved by the Council of Ministers before entering into force.

### **The Constitution of Timor-Leste established the importance of protecting the environment.**

The Constitution of Timor-Leste enshrines a healthy environment as a constitutional right. The Constitution also contains the concept of environmental protection, including the idea to “preserve and rationalize natural resources” and the responsibility of the state to promote the sustainable development of the economy. The Constitution prescribes the following:

- Everyone has the right to a humane, healthy, and ecologically balanced environment and the duty to protect it and improve it for the benefit of the future generations.
- The State shall recognize the need to preserve and rationalize natural resources.
- The State should promote actions aimed at protecting the environment and safeguarding the sustainable development of the economy.

<sup>27</sup> The information in this section is adapted from Government of Timor-Leste (2011a) and World Bank (2009).

<sup>28</sup> AusAID (2012); USAID (2013).

Prior to the enactment of the Constitution, **several** of the **regulations** passed under the UN Transitional Administration in East Timor, which were passed automatically into the national law of Timor-Leste on independence in 2002, addressed environmental management issues.

**Regulation 2000/17 on the Prohibition of Logging Operations and the Export of Wood from East Timor** prohibits the cutting, removal, logging, and export (in any form) of wood, and the burning or any other destruction of forests. Given the high proportion of forest-dependent species of flora and fauna and the secondary impacts of forest disturbance and destruction on other ecosystems (such as riparian or marine), this regulation remains important to the conservation of biodiversity and sustainable land management. **Regulation No. 2000/19 on Protected Places** was passed in 2000, and declared 15 protected wild areas in addition to selected “endangered” species, coral reefs, wetlands, and mangroves, and historic, cultural, and artistic sites.

**Government Resolution No. 9/2007 on the National Forestry Policy and Strategy** includes forest protection, water conservation, and land restoration. The key strategy of this policy is to protect all forests from damage or loss through programs that will empower, encourage, and involve communities to manage forest land, through public relations and education activities, the prevention and physical control of wild fires, and reduced livestock grazing.

**Environmental Licensing Decree (Law No. 5)** was enacted in February 2011 and creates a system of environmental licensing for public and private projects likely to produce environmental and social impacts. It is in essence an Environmental Impact Assessment Law. This law aims to create conditions to minimize or eliminate negative environmental and social impacts of project implementa-

tion and determines measures for environmental and social protection. The decree is relevant given the government’s plans to improve the physical infrastructure of the country while paying attention to sustainable development and environmental protection.<sup>29</sup>

The commitment to the environment was reinforced in the **Strategic Development Plan (2011–2030)**, which sets out a 20-year plan for the country. The plan recognized the following:<sup>30</sup>

Now that the foundations of a new state have been established and we are on a path to peace, stability and food security, we have the opportunity to put strategies in place to meet our obligations under the Constitution to protect our environment and ensure that Timor-Leste’s environmental resources are sustainably managed. There is now an urgent need to renew and review the key laws and regulations related to the environment in Timor-Leste today.

The Strategic Development Plan recognizes the need for the development of further laws to address coastal zone management and watersheds, wildlife conservation and biodiversity, air, noise, and soil regulation, among others. With the assistance of the GEF and UNDP, the SEMA has produced an NBSAP and an NAPA, which have provided further policy guidance and implementation priorities. The Council of Ministers has approved both plans.<sup>31</sup>

<sup>29</sup> <http://www.laohamutuk.org/Agri/EnvLaw/DL5-2011En.pdf> (accessed February 2012).

<sup>30</sup> See Government of Timor-Leste (2011b), 55.

<sup>31</sup> The UNDP country office played an important role in advising the government on the integration of environmental concerns into the Strategic Development Plan drafts and final report.



## ENVIRONMENTAL LEGISLATION AND POLICY UNDER PREPARATION

A number of legislative instruments are currently under preparation or awaiting enactment. These include the following:

- **Basic Environmental Law (draft):** The draft basic environmental law seeks to provide a general legal framework to guide environmental protection and sustainable development,<sup>32</sup> putting in place the rights and responsibilities of the state and citizens, among others. It covers most of the major issues relevant to environmental management in the country, such as natural resource management, sustainable use, biodiversity, coastal and marine resource management, pollution control, solid and hazardous wastes, and water resources. Importantly, Article 41 proposes setting up an environmental fund to support implementation. However, it is clear that the law does assume that issues will require further legal elaboration through separate, but related, laws to ensure adequate specificity and guidance. An environmental policy is also under development.
- **Biodiversity Decree Law (under preparation):** The proposed Biodiversity Decree Law would define the national policy on the following: biodiversity planning, monitoring, and inventory; protection and conservation of ecosystems, habitats and species; addressing threats to biological diversity and resources, including genetic resource, traditional knowledge, and benefit-sharing; and addressing biodiversity information and public awareness, including training, research, valuation, and incentives. The United

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<sup>32</sup> For example, putting in place basic legal principles, such as the precautionary principle, principle of participation, principle of prevention, and polluter pays principle, among others.

Nations Environment Programme has supported development of the law.

- **National Water Resources Policy and Law (draft):** The draft National Water Resources Policy is based on the principle of integrated water resources management and includes some 40 supportive principles that reflect international best practice. Within sanitation, the health sector has developed policy-level documents that stress the importance of water, sanitation, and hygiene promotion in reducing disease. It was prepared with inputs from ADB and other development partners but it is still awaiting approval or revision by the Council of Ministers. A draft law was also prepared, but it is still awaiting approval or revision (AusAID 2009).
- **National Forestry Legislation (draft)** is awaiting government approval. The overarching objectives of this prospective law is to provide for a sustainable use and management of forest resources for the good of all people through the achievements of a balance between one, the conservation and rehabilitation of the forest resources to guarantee the necessities and interests of the future generations and, two, the productivity of the forest resources to satisfy current economical necessities and the livelihoods.
- **Law on Fertilizer and Law on Pesticide Use (draft)** are finalized and were presented to the Council of Ministers in September 2011. These laws are intended to regulate import and selling of the types of both pesticide and fertilizer products that are not harmful to the environment. These have been positive steps taken by the government toward securing sustainable land management, as these laws will control the distribution of inappropriate products with harmful substances that can be toxic to the soil and can contaminate underground water.

- **Rural Energy Policy (draft)** outlined a series of renewable energy development options, such as hydro, solar photovoltaics, and biogas to address energy needs of rural communities that would not be reached by grid electricity in the near future. The policy was presented to the Council of Ministers but is awaiting approval or revision.

## ENVIRONMENTAL ADMINISTRATIVE FRAMEWORK<sup>33</sup>

The administrative framework for management of environmental issues is quite complex. There are several overlapping mandates and responsibilities with many government agencies involved, which makes cooperation and coordination challenging. The main ones are described below.

**SEMA** is responsible for environmental monitoring, control, and protection. Its sectors cover a wide range of environmental issues, such as environmental impact assessment, pollution control, policy, environmental law and enforcement, biodiversity conservation, environmental awareness, environmental databases, environmental laboratories, and international environmental affairs. SEMA is composed of the Chief of Cabinet of the Secretary of State and two Directorates: the National Directorate for Environmental Services, with most of the employees, and the National Directorate of Environmental Issues. SEMA is part of the Ministry of Economy and Development.

The **MAF** deals with resource management, including forests, sustainable land management, fisheries, and biodiversity conservation, including protected area management under the Department of Protected Areas and National Parks. The MAF has three Secretaries of State: the Secretary of State of Agriculture and Forestry, the Secretary

of State of Fisheries, and the Secretary of State of Livestock. The National Directorate of Agriculture and Forestry of MAF currently handles forestry management. However, the Secretary of State of Environment and Reforestation is under the Ministry of Economy and Development. The **Secretary of Natural Resources** is responsible for mineral and natural resources, including oil and gas, as well as related industries. This department is under the prime minister. It carries out assessment studies, including a Timor-Leste pipeline and gas hub option study, a supply base study, and a geological mapping of natural resources (oil, gas, and minerals). The **State Secretariat for Energy Policy** is responsible for promoting and implementing the use of renewable and alternative energy sources throughout the country.

The **State Secretariat for Electricity, Water, and Urbanization (Ministry of Infrastructure)** is responsible for ensuring the implementation of a legal and regulatory framework related to electricity supply, water resource management, and licensing of urban construction.

The **Secretary of State for Public Works (Ministry of Infrastructure)** is responsible for the review and approval of public infrastructure (roads and bridges) and development inspection.

The **National Directorate for Water and Sanitation** (DNSAS, Direccao Nasional Serbisu Aguas e Saneamento) is the agency responsible for most of the water and sanitation sector activity and is under the Ministry of Infrastructure. This agency is responsible for the national management of water resources. It formulates sector policy, manages the distribution of water for human consumption, and monitors water quality through the DNSAS laboratory. Two other government stakeholders share part of these responsibilities with DNSAS: the National Environmental Director (DNMA) is in charge of water issues related to the agricultural and fishery

<sup>33</sup> The information in this section is adapted from World Bank (2009).



sectors (that is, irrigation and aquaculture), and the Ministry of Health sets standards, codes of practice, and enforces legislation.

Land, water, and coastal zones provide many functions for many users: therefore, there are potential conflicts that require an integrated approach. In 2006, the government (Government of Timor-Leste 2006) recognized that an integrated approach to managing these resources was essential; however, inefficiencies in coordination at the policy and practical levels remain because of overlapping mandates.<sup>34</sup>

## THE GLOBAL ENVIRONMENT DIMENSION

The relationship between Timor-Lest and the global environment is largely defined and supported through its participation in a number of international environmental conventions and protocols. The chronology of Timor-Leste's participation in such agreements is shown in table 2.3, in terms of the main focal areas of interest to the GEF, notably biodiversity, climate change, land degradation, and ODS. Timor-Leste has not acceded to or ratified any of the chemicals conventions—Basel, Rotterdam, or Stockholm Conventions, governing the trade and transportation of hazardous chemicals or POPs.

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<sup>34</sup> Interviewees stressed that intragovernmental coordination was an area of work that presented considerable challenges.

A timeline is provided to situate the accession to the major conventions, GEF projects, and government policies and legislation. As can be seen from figure 2.1, currently there is a lot of legislation that is pending approval or still in draft. Most of the GEF enabling activity interventions began in 2007–08 after the reestablishment of stability following the political instability in 2006.

Global considerations in national environmental issues and policy are currently most strongly integrated in climate change adaptation and land degradation, as these are the two challenges that most directly impinge on the poverty reduction efforts and livelihoods of the Timorese with respect to agricultural development and infrastructure. In general, although a global environmental angle to national policy development and actions has been introduced through the ratification of the CBD and the UNFCCC, the government's focus tends to be on adapting and expressing "global challenges" in national and local terms—adaptation to climate change is a good example of this and the emerging focus on energy alternatives to address wood fuel use and indoor pollution, which are not sold as climate change mitigation.

An overview of the country's current and potential contribution toward global environment benefits in the various focal areas in relation to these international commitments and, in particular, support received from the GEF is assessed in chapters 3–6.

**TABLE 2.3 Environmental Treaties and Protocols to Which Timor-Leste Is a Party or Signatory**

<b>Treaty</b>	<b>Date of accession</b>	<b>Entry into force</b>	<b>National focal point</b>
Convention on the Prevention of Marine Pollution by Dumping of Wastes and other matter (as amended), London, Mexico City, Moscow, Washington, 1972		Not signed/ratified	
International Convention on the Prevention of Pollution from Ships, London, 1973 (MARPOL)		Not signed/ratified	
Protocol of 1978 relating to the International Convention for the Prevention of Pollution from Ships, London, 1973		Not signed/ratified	
United Nations Convention on the Law of the Sea, 1982 (UNCLOS)		Not signed/ratified	
Vienna Convention for the Protection of Ozone Layer, Vienna, 1990	Sept. 16, 2009	Dec. 15, 2009	SEMA
Montreal Protocol on Substances that Deplete the Ozone Layer, Montreal, 1987	Sept. 16, 2009	Dec. 15, 2009	SEMA
London amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer, London, 1990	Sept. 16, 2009	Dec. 15, 2009	SEMA
Copenhagen amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer, Copenhagen, 1992	Sept. 16, 2009	Dec. 15, 2009	SEMA
Montreal amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer, Montreal, 1997	Sept. 16, 2009	Dec. 15, 2009	SEMA
Beijing Amendment to the Montreal Protocol on Ozone Depleting Substances, Beijing, 1999	Sept. 16, 2009	Dec. 15, 2009	SEMA
United Nations Framework Convention On Climate Change, New York, 1992	Oct. 10, 2006	Jan. 8, 2007	SEMA
Kyoto Protocol to the United Nations Framework Convention on Climate Change, Kyoto, 1997	Oct. 14, 2008	Jan. 12, 2009	SEMA
Convention on Biological Diversity, Rio de Janeiro, 1992	Jan. 8, 2007	Jan. 8, 2007	SEMA
Nagoya Protocol on Access to Genetic Resources and Benefit-Sharing		Not signed/ratified	
Cartagena Protocol on Biosafety to the Convention on Biological Diversity, Montreal, 2000		Not signed/ratified	
Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES)		Not signed/ratified	
Convention on Wetlands of International Importance especially as Waterfowl Habitats (Ramsar)		Not signed/ratified	
United Nations Convention to Combat Desertification Paris, 1994 (UNCCD)	Aug. 20, 2003	Aug. 20, 2003	MAF
Convention on Transboundary Movement of Hazardous Waste and their Disposal (Basel Convention) Basel, 1989		Not signed/ratified	
Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, Rotterdam, 1998		Not signed/ratified	
Stockholm Convention on Persistent Organic Pollutants, Stockholm, 2001		Not signed/ratified	

FIGURE 2.1 Timeline of GEF Activities in Relation to National Processes

NATIONAL POLICY PAPERS AND DOCUMENTS						
			• Government Resolution No. 9 (Forestry Policy)		• Rural Energy Policy (draft)	• SDP • Environment Policy (draft)
NATIONAL LAWS AND REGULATIONS						
	• UNTAET Regulation 2000/17 (Logging) • UNTAET Regulation 2000/19 (Protected Places)				• Environment Licensing (Law 5)	• Biodiversity Law (under preparation) • National Water Resources Law (draft) • Basic Environmental Law (draft) • National Forestry Legislation (draft) • Fertilizer Law (draft) • Pesticide Law (draft)
	• Constitution of Timor-Leste					
INTERNATIONAL TREATIES AND AGREEMENTS						
	• UNCCD		• UNFCCC • UNCBD	• Kyoto Protocol • Montreal Protocol + amendments		
GEF PROJECTS						
	• NCSA		• NAPA • SLM	• NBSAP • SDS-SEA • ATSEA • Coral Triangle	• INC	• LDCF • BIOMASS • Access Genetic Resources • NBSAP Revision
2000	2002	2004	2006	2008	2010	2012

NOTE: National GEF projects are listed in green; others are regional or global.

## 3. The GEF Portfolio in Timor-Leste

### 3.1 The Portfolio of National Projects

As shown in table 3.1, the GEF portfolio of national projects in Timor-Leste is a small portfolio with three enabling activities and one medium-size project being completed—all implemented by UNDP. Funding was spread across the focal areas and has concentrated on assisting Timor-Leste to fulfill some of its initial obligations to the conventions as well as building initial capacities within government. There are no national projects currently under implementation.

The Council approved one full-size project—an LDCF project focusing on climate change adaptation for small-scale infrastructure, which has been based on the priorities identified in the NAPA, with a biomass full-size project also under preparation. Both of these projects have significant amounts of indicated cofinancing from a combination of government, bilateral, multilateral, and NGO sources. The LDCF project will be linked to the ongoing UNDP Local Governance Support Project as well as investments by AusAID and the European Union.<sup>1</sup> The biomass project will receive cofinancing from the government, UNDP, and Mercy Corps.

<sup>1</sup> See <http://mptf.undp.org/factsheet/project/00067655> (accessed March 2012).

Overall, it is unusual that UNDP implements the entire national project portfolio. UNDP country office has built a close relationship with the government through its consistent involvement across the governance, peace building, poverty reduction, and environmental sectors. Furthermore, UNDP has significant experience in implementing enabling activities, and thus was the natural partner for the government given the need to ratify the CBD and the UNFCCC. The World Bank has a country office presence, but typically it does not have an interest in implementing enabling activities, although it has conducted some environmental and energy sector studies.<sup>2</sup> The Bank has no in-country environmental specialist, with the nearest being based in its Australia regional office in Sydney. Similarly, ADB has a country office, but the environmental sector has not been part of its country assistance program.

The overall expenditure on GEF activities (including declared cofinancing) is presented in table 3.2. This shows a clear focus on climate change, which is related to the enabling activities and to the two projects currently under preparation (see previous discussion above).

During the period of the Resource Allocation Framework (RAF, GEF-4), Timor-Leste was part of

<sup>2</sup> See World Bank (2009b, 2010).

**TABLE 3.1 GEF-Supported National Projects in Timor-Leste by Status and Focal Area**

GEF ID	Project title	Focal area	Agency	Modality	GEF support (million \$)	Cofinancing (million \$)
<b>Completed</b>						
2208	National Capacity Self-Assessment (NCSA) for Global Environment Management	MF	UNDP	EA	0.225	0.230
3464	National Adaptation Programme of Action to Climate Change (NAPA) Formulation Project	CC	UNDP	EA	0.192	0.054
	Initial National Communication to the UNFCCC (INC) <sup>a</sup>	CC	UNDP	EA	0.420	0.060
3662	National Biodiversity Strategy Action Plan, the First & Third National Report to CBD, Establishment of Clearing House Mechanism	BD	UNDP	EA	0.277	0.018
	LDC/SIDS Capacity Building in and Mainstreaming of Sustainable Land Management in East Timor (SLM)	LD	UNDP	MSP	0.475	0.557
	Subtotal				1.589	0.919
<b>PIF clearance/Council approved</b>						
4696	Strengthening the Resilience of Small Scale Rural Infrastructure and Local Government Systems to Climatic Variability and Risk	CC	UNDP	FSP	4.600	24.557
<b>Under preparation</b>						
4344	Promoting Sustainable Bio-energy Production from Biomass	CC	UNDP	FSP	1.730	7.020
	GEF Small Grants Programme (SGP) <sup>b</sup>	BD/CC/LD	UNDP	SGP		
	Total				7.919	32.496

NOTE: BD = biodiversity; CC = climate change; LD = land degradation; MF = multifocal; EA = enabling activity; FSP = full-size project; MSP = medium-size project; PIF = project identification form; SIDS = small island developing states.

a. This project was not listed in the GEF project database, but was subsequently confirmed as GEF-funded during the in-country mission.

b. To begin operation in 2012.

**TABLE 3.2 Cofinancing for GEF-Supported National Projects in Timor-Leste by Focal Area and Status**

Focal area	Completed	Ongoing	Pipeline	Total	Share (%)
Biodiversity	0.295			0.295	0.76
Climate change	0.246	0.480	37.907	38.633	95.53
Land degradation	1.032			1.032	2.58
Multifocal	0.455			0.455	1.13
Total	2.028	0.480	37.907	40.415	100.00

the group allocation for biodiversity and climate change. No full- or medium-size projects were developed because the enabling activities had not been completed, and the government's priorities were yet to be developed (table 3.3).

Under GEF-5, with the System for Transparent Allocation of Resources (STAR) allocation, Timor-Leste has \$4.4 million with the largest allocation for climate change followed by biodiversity and land degradation (table 3.4). The funding is still waiting to be programmed.

## 3.2 Timor-Leste's Participation in Regional and Global Projects

In addition to its national portfolio with the GEF, Timor-Leste is participating in a number of regional and global projects, which are listed in table 3.5. These projects are still under implementation or preparation and are important to the country, particularly in view of its status as a small island developing state with significant interest in issues concerning international waters and coastal zone management (SDS-SEA project) and marine biodiversity (Coral Triangle project).

TABLE 3.3 Timor-Leste GEF-4 Allocation and Utilization

Focal area	GEF-4 indicative allocation	Allocation utilized	PIFs cleared by CEO awaiting approval	Allocations remaining to be programmed
Biodiversity	Group <sup>a</sup>	0	0	Group <sup>a</sup>
Climate change	Group <sup>a</sup>	0	0	Group <sup>a</sup>

NOTE: PIF = project identification form.

a. Group allocation countries (biodiversity and climate change). After the midpoint recalculation exercise, there are 112 countries in the group that can access up to \$0.8 million for biodiversity and \$3.3 million for climate change in GEF-4, up to the limits of available funding.

TABLE 3.4 Timor-Leste GEF-5 Allocation and Utilization (\$)

Focal area	GEF-5 indicative allocation	Allocation utilized	PIFs cleared by CEO awaiting approval	Allocations remaining to be programmed
Biodiversity	1,500,000	0	0	1,500,000
Climate change	2,000,000	0	0	2,000,000
Land degradation	900,000	0	0	900,000
Total	4,400,000	0	0	4,400,000

NOTE: PIF = project identification form.

TABLE 3.5 GEF-Supported Regional Projects in Timor-Leste by Status and Focal Area

GEF ID	Project title	Focal area	Agency	Modality	GEF support (million \$)	Co-financing (million \$)
<b>Regional projects under implementation</b>						
3522	Arafura and Timor Seas Ecosystem Action Program (ATSEA)	IW	UNDP	FSP	2.500	5.450
2700	Implementation of Sustainable Development Strategy for the Seas of East Asia (SDS-SEA)	IW	UNDP	FSP	10.876	33.3374
2586	Protected Areas Strengthening Coastal and Marine Resources Management in the Coral Triangle of the Pacific—under the Pacific Alliance for Sustainability Program (Coral Triangle)	IW	ADB	FSP	13.118	14.150
3853	Building Capacity for Regionally Harmonized National Processes for Implementing CBD Provisions on Access to Genetic Resources and Sharing of Benefits	BD	UNEP	MSP	0.750	0.750
	Subtotal				27.244	53.687
<b>Global projects CEO approved</b>						
4623	Support to GEF Eligible Parties (LDCs & SIDS) for the Revision of the NBSAPs and Development of Fifth National Report to the CBD - Phase II	BD	UNEP	FSP	6.118	5.083
	Total				33.362	58.77

NOTE: Total project funding amounts are provided here as it is not possible to ascertain the exact financing for the national components of all the regional projects. BD = biodiversity; CC = climate change; IW = international waters; FSP = full-size project; MSP = medium-size project; UNEP = United Nations Environment Programme.

## 4. Results of GEF Support

**G**EF support in Timor-Leste has covered the full range of GEF focal areas for which the country has been eligible through national projects and through the country's components of regional projects. The results of these activities are assessed below. A focal area approach is adopted, since this delineates linkages between projects, the accumulation of results from outputs toward long-term impacts, and global environment benefits. Trends within and across focal areas are not possible to discern given that only four projects have been implemented.

As described in chapter 3, much of the GEF portfolio in Timor-Leste has so far consisted of enabling activities. There are three broad categories of intervention. The first is that of foundational capacity building through fulfilling basic convention obligations (e.g., national communications, NAPAs, and NBSAPs). In the short term, fulfilment of obligations under environmental conventions is a good result, mainly because it has now allowed the country to progress toward development and implementation of further medium-and full-size projects that have the potential to deliver tangible “on the ground” results. In the medium term, heightened awareness and capacity, particularly of government, to address environmental management issues are also an indicator of achievement, such as the NAPA leading to the LDCF adaptation project. These results are expected to produce positive changes in the local and national environ-

ment, while contributing to global environmental benefits in the long term. Timor-Leste has yet to begin implementation of projects that have a potential to produce tangible results; hence, the time scale for these to emerge would be over the next decade as the portfolio matures and continues to grow.

The second category of intervention that is mainly a component of the international waters projects has been that of pilot or demonstration activities. Only the Implementation of Sustainable Development Strategy for the Seas of East Asia (SDS-SEA) regional project (GEF ID 2700) has begun to implement two pilot coastal zone management and livelihood projects in Liquica and Manatuto with communities, although the Arafura and Timor Seas Ecosystem Action Programme (ATSEA; GEF ID 3522) plans to develop one pilot or demonstration project in Timor-Leste in the near future.

The third category is that of full-scale investment projects and at the moment there are no projects under implementation in Timor-Leste.

### 4.1 Biodiversity

The GEF has so far provided only one national project: to support the development of the NBSAP. The NBSAP achieved its key outputs and provides a foundation for further policy development and actions or targets for implementation; however,



implementation depends on sufficient augmentation of human resource capacities and budgetary allocations. The NCSA (which also addressed climate change) provided the initial impetus to ratify the CBD and assist the government in identifying relevant capacity priorities. Key challenges for the country are building capacity to engage at the district and community levels to manage the protected areas system once adequate policy and legislative frameworks have been established.

The GEF supported one biodiversity project, an enabling activity—National Biodiversity Strategy Action Plan, the First and Third National Report to the CBD and Establishment of a Clearing House Mechanism (GEF ID 3662), which UNDP implemented. The project resulted in the successful preparation of the NBSAP and national reports for fulfillment of Timor-Leste basic obligation to the CBD.<sup>1</sup> The substantive results of the NBSAP included the following: setting priorities and targets up to 2020 for biodiversity; assessing existing policies, legislation, and current gaps and actions required to address weaknesses; detailing actions needed to achieve targets, particularly in relation to capacity building, which are in line with and elaborate on the government’s Strategic Development Plan 2011–2030 (Government of Timor-Leste 2011b, see chapter 5).<sup>2</sup> Stakeholders reported that

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<sup>1</sup> Fourth National Report was also produced.

<sup>2</sup> The NBSAP sets out clear steps for capacity building at the individual level (needs assessment, development of competence standards for civil servants in the environmental sector, training/train-the-trainers initiatives, provision of external training and education based on needs and relevance, and establishment of a database of qualified national experts), the institutional level (identification of roles and responsibilities, including review of mandates and functions and reallocation and reformulation based on duties and competence, among others; formation of interagency groups/committees; and establishment of research centers), and the systemic level (formulation of an appropriate policy and legal framework, establishment of coordination mechanisms to support various government organizations, and establishment of a monitoring

the NBSAP helped raise the policy dialogue on biodiversity at the highest levels within government (e.g., the Council of Ministers) alongside the need for efforts to build capacity and establish adequate budget lines for terrestrial, coastal, and marine resource management. However, UNDP and international consultants and volunteers (e.g., UN volunteers) largely produced the report, because of the lack of available national capacity capable to draft the report. The process missed an opportunity to build important skills, but it was also caught by the capacity challenge it sought to address.

Actions required to establish the Clearing House Mechanism within the MAF’s Department of Protected Areas and Nature Protection have yet to be finalized. Basic training was provided to government stakeholders and others on maintaining and using the Clearing House Mechanism website. However, by early 2012 it was reported that the Clearing House Mechanism website was no longer maintained. The underlying reasons for this were attributed to lack of funding and human capacity. This is part of a more widely held view within the MAF and SEMA that current budgetary allocations are insufficient for plans and strategies to be effectively implemented—in short, there are constraints and pressures associated with human resources (skills and number of staff at the national and district levels) required to manage biodiversity and the protected areas system, and the financial resources required to have the infrastructure or “tools” to facilitate improvements in management.<sup>3</sup>

The GEF supported a UNDP-implemented multi-focal enabling activity for the NCSA for Global

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and evaluation mechanism to assess progress on policy and legislative implementation).

<sup>3</sup> Interviewees reported, for example, that there are only 6 to 10 forest guards covering the entire country. They have no transport and little funds to conduct field operations.

Environmental Management, which was the first GEF operation in Timor-Leste. The NCSA began implementation in 2005 and was completed in 2007. The project assessed the capacity situation and needs, identified priorities, and available resources for the implementation of the Rio conventions. The project played a vital role in raising the initial government interest in ratifying the CBD, which the government achieved before the end of the project. It also set out a framework for the establishment of key government roles and responsibilities—such as the focal point for the CBD, identifying priorities for development and reform of legal frameworks, establishing a multilateral environmental agreement secretariat (within SEMA) for coordinating implementation of the conventions; and training of the focal points. However, the project was meant to improve cross-sectoral coordination and cooperation; and this was reported to be problematic because of overlapping and competing mandates, and weak culture of cooperation between government ministries, which has persisted to impact subsequent projects (for example, sustainable land management project).<sup>4</sup> The capacity development action plan set out by the NCSA and to be implemented by the government after the project completion included the following: public awareness and education program; international conference on environment to raise development partner support for the environment; and the establishment an cross-sectoral governmental structure and plan to delivery training and skills upgrading for officials so that they could draft policies, project proposals and improve management; —this also included plans for a monitoring and evaluation mechanism (Government of Timor-Leste 2007). Despite the relevance of the proposals no evidence could be found that they were effectively implemented in the ex-post period. This was partly attributed to a lack of financing,

<sup>4</sup> Interview data and project reports.

but also weaknesses in capacity, coordination, and prioritization.<sup>5</sup>

## 4.2 International Waters

Activities in the marine environment and watershed management are of significant importance to Timor-Leste given the strong link between terrestrial and coastal and marine activities and development. Both the SDS-SEA and ATSEA initiatives are putting in place frameworks, developing policy, and defining investment priorities, furthermore testing local approaches that link livelihoods and environmental conservation.

GEF support in the area of international waters is being delivered mainly through two projects: (1) ATSEA), which is focused on developing a transboundary diagnostic (TDA)—strategic action program (SAP) and (2) SDS-SEA, which is of an enabling and capacity development and preinvestment nature. However, the SDS-SEA project also has two pilot or demonstration sites in Liquica and Manatuto, which are currently under implementation. Both projects are managed by UNDP and the United Nations Office for Project Services from Bangkok and Manila, with little direct involvement of the UNDP country office. A third project concerning protected areas management in the Coral Triangle is being implemented by ADB.

The ATSEA transboundary diagnostic analysis is under preparation with ongoing oceanographic, environmental, and socioeconomic surveys in order to identify threats and root causes of degradation of fisheries, biodiversity, and coastal areas. The process has involved several cross-sectoral national and regional workshops to identify and discuss key threats. For Timor-Leste, the issues of land degradation and coastal siltation have been

<sup>5</sup> Interview data.

highlighted. It was reported that the strategic action program (which will include national action plans) would identify actions to be taken by the government to arrest environmental degradation and manage the seas sustainably. However, there is currently little prioritization and cross-ministerial/departmental coordination within the government for transboundary environmental issues, and the current budgets for MAF are insufficient to implement the investments identified in the forthcoming plans. Once the ATSEA strategic action program is completed, there will be one demonstration or pilot site in Timor-Leste.<sup>6</sup> It was reported that Australia has taken a strong role in the ATSEA to assist in building the regional capacities for research (oceanographic surveys) and knowledge creation and sharing. To this end, Australia established the Arafura-Timor Research Facility,<sup>7</sup> which is joint venture between the Australian National University and the Australian Institute of Marine Science located in Darwin. The facility aims to establish research links with the other ATSEA countries and serve as a cross-disciplinary knowledge and research hub with the aim of delivering sustainable socioeconomic and environmental benefits.

Timor-Leste is involved in the SDS-SEA project with a focus on building capacities of participating countries to implement the SDS-SEA. The main government partner is the MAF.<sup>8</sup> In Timor-Leste, capacity building (training) has been undertaken at the national level for integrated coastal zone planning and management, including ecosystem approaches and fisheries management, marine and coastal monitoring, and rapid resource and socioeconomic appraisal. However, it is not clear if

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<sup>6</sup> The location and exact details on the type of demonstration activity have yet to be decided.

<sup>7</sup> <http://atrf.org.au/?pid=6> (accessed February 2012).

<sup>8</sup> Besides Timor-Leste, the project involves China, Indonesia, Cambodia, Lao, the Philippines, Thailand, and Vietnam.

the training will lead to improved coastal zone management. The government has prepared a country report detailing key priorities for management of the coastal zone and marine areas. Issues of governance of resources (lack of policies and legislation) and development needs—food security (fisheries) and livelihoods, water resource use and management—have been flagged as relevant to coastal zone management. Timor-Leste plans to develop a “national marine and coastal policy” in 2012 involving an interministerial team.<sup>9</sup> It is currently unclear how the SDS-SEA and ATSEA initiatives are linked given they are addressing broadly similar threats and issues.

Timor-Leste is working with Coral Triangle countries to protect its fringe coral reefs, with support from ADB,<sup>10</sup> but no implementation reports were available<sup>11</sup> on which progress could be judged or the presence of “on the ground” pilot or demonstration activities. Furthermore, government officials seemed to be unaware of progress to protect the country’s coral reefs.<sup>12</sup>

The SDS-SEA project is implementing two integrated coastal management pilots in the districts of Liquica and Manatuto, focusing on livelihood linkages and development of sustainable use. Capacity building was conducted from 2009 to 2010 with the communities to identify relevant project

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<sup>9</sup> MAF + Ministry of Economy and Development; Ministry of Infrastructure; Ministry of Tourism and Culture; Secretary of State for Natural Resources Management; National University of Timor-Leste, and NGOs, among others.

<sup>10</sup> Protected Areas Strengthening Coastal and Marine Resources Management in the Coral Triangle of the Pacific - under the Pacific Alliance for Sustainability Program, being implemented by ADB. The project has been under implementation since 2008/2009.

<sup>11</sup> ADB did not answer repeated email requests for information on the implementation status of the project.

<sup>12</sup> Interview data.

interventions, which were subsequently focused on seaweed culture and salt making in both districts; about 33 people from Ulmera and 50 from Maabat were trained. By mid-2009, the communities had received about \$300 each for between 40 to 50 bags of seaweed in each pilot site. With regards to salt making, the community in Manatuto had received \$175 and Liquica received \$35 (at about \$1 per kilogram).<sup>13</sup> The main reported constraints were lower production for salt making compared to the conventional methods using firewood. The project planned to scale up the livelihood technologies to other locations as well as improving the seaweed and salt production technologies based on feedback from the communities. The current progress since 2009 is not known as the project has delayed conducting its mid-term evaluation until early 2012. Hence, in terms of demonstrated environmental benefits, it is too early to measure the project's contribution to the local and national and regional status of the Seas of East Asia.<sup>14</sup>

### 4.3 Climate Change

The GEF has so far provided only one national project to support the development of the NAPA. The NAPA achieved its key outputs and provides a foundation for further policy development and investment action to address climate change adaptation and cross cutting issues, such as land degradation. The NCSA, which had similar actions and results as described above for biodiversity, provided the initial impetus for the government to ratify the UNFCCC and Kyoto Protocol.

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<sup>13</sup> A USAID program is also engaged in developing seaweed farming on Atauro Island. It is not clear if SDS-SEA is aware of this parallel project, from which opportunities could be developed for joint learning.

<sup>14</sup> SDS-SEA. 2012. "Implementation of the SDS-SEA in Timor-Leste." Powerpoint presentation provided to the evaluation.

The first climate-related enabling activity was the NCSA, which as already discussed above, provided a platform for raising awareness on the environmental convention, including the UNFCCC and it resulted in ratification by the end of the project. Adaptation has been the main focus of the subsequent activities.

Timor-Leste main capacity building activities for climate change have been focused on adaptation through the NAPA to climate change,<sup>15</sup> implemented by UNDP. The NAPA followed a broad consultative and participatory drafting and prioritization process,<sup>16</sup> involving central and district government, national and international NGOs, development partners, and the private sector (see chapter 6). The NAPA generally met its objectives and enabled the country to define and prioritize areas for climate change adaptation in relation to the six working group outputs across such areas as food security and agriculture and infrastructure. The processes also greatly raised awareness and concern across the government on adaptation and need to "climate proof" and build resilience, particularly in the agricultural and infrastructure sectors. Several government officials reported that the processes also allowed staff to see links between activities, such as planting trees and maintaining forest and protecting road and bridge infrastructure development in terms of reducing risk of landslides and flooding.<sup>17</sup> The completion

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<sup>15</sup> The objective of the NAPA was to develop a countrywide program to address the current and anticipated adverse effects of climate change, including extreme events. The preparation was led by SEMA and involved a cross-ministerial team split into six working groups addressing food security, water, health, disaster management, biodiversity, and infrastructure development.

<sup>16</sup> "Originally we had over 100 priorities but through workshops and process of discussion and scoring we reduced this to nine."

<sup>17</sup> Interview data. Briefing Note for the GEF Country Portfolio Study and UNDP ADR: Environment Results.

of the NAPA was necessary prior to accessing the LDCF, but the prioritization process, alongside the government's emphasis on infrastructure development, informed the design of the Strengthening the Resilience of Small Scale Rural Infrastructure and Local Government Systems to Climatic Variability and Risk, which will begin implementation in 2012.

The First National Communication to the UNFCCC is currently under preparation,<sup>18</sup> implemented through UNDP and being led by SEMA. A similar approach is being followed as was used under the NAPA with the establishment of cross-ministerial working groups in the following areas: greenhouse gas inventory; vulnerability and adaptation assessment; climate change mitigation; environmental sound technologies; education and training and public awareness; and finally research and observation. Awareness raising is currently being conducted with government policy-makers and the general public. Furthermore, Timor-Leste is adopting, where possible, a South-South cooperation approach to building capacity, drawing consultants from the regional (for example, Indonesia and the Philippines) to build capacities, rather than using international consultants from developed countries. In this way, it is hoped that the advice and training will be more context appropriate and usable. For example, the Timor-Leste UNFCCC focal point recently received training in negotiation and climate change intergovernmental negotiation,<sup>19</sup> which has enabled Timor-Leste to speak for small island developing states (SIDS) and LDCs on adaptation within the Nairobi work program.<sup>20</sup>

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<sup>18</sup> Implemented by UNDP.

<sup>19</sup> This training was provided by the Philippines UNFCCC focal point and Ian Fry, a UNFCCC expert and adviser to SIDS and LDCs.

<sup>20</sup> [http://unfccc.int/adaptation/nairobi\\_work\\_programme/items/3633.php](http://unfccc.int/adaptation/nairobi_work_programme/items/3633.php) (accessed March 2012).

## 4.4 Desertification and Land Degradation

Arresting land degradation and promoting sustainable land management is perhaps the most important national environmental challenge facing Timor-Leste with over 30 percent of the island suffering from some level of degradation. The sustainable land management project produced some useful outputs, such as the GIS mapping and database and a training manual. However, the project ran up against the challenge of lack of financial and human resources, which it was unable to overcome. The lack of a pilot and demonstration approach involving local communities to address slash and burn (a major cause of land degradation) was a missed opportunity.

UNDP and the MAF implemented the sustainable land management project.<sup>21</sup> The project began being implemented in 2007 and was operationally completed in 2011. The project was designed to build capacities for sustainable land management in appropriate government and civil society institutions and user groups and mainstream sustainable land management into government planning and strategy development. The project has four outcomes, namely: (1) sustainable land management is mainstreamed into national policies, plans, and legislation; (2) human resources and institutional capacities needed for sustainable land management are developed; (3) capacities for knowledge management in sustainable land management are developed; and (4) a national action plan.

The project succeeded in enabling the completion of the national action plan,<sup>22</sup> but according to the terminal evaluation fell short of achieving con-

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<sup>21</sup> National Directorate of Forestry.

<sup>22</sup> The plan is still awaiting approval by the Council of Ministers.

sistent results. This was mainly to because of the following: (1) a lack of appreciation of the context of Timor-Leste at the project design stage, which led to overestimate of the capacities of government partners; (2) the project linkages between components and planned outcomes was not logical and because of the low capacity and low skill context encountered during implementation, the project became focused on achieving outputs; and (3) engagement between the project implementation unit (UNDP) and the MAF was not consistently maintained and this contributed to a reduced interest from the MAF and other ministries. Outcome 1—mainstreaming was an ambitious outcome given the very limited government capacity and cross-ministerial interest. Outcome 2—capacity building achieved more success with using train-trainer approaches and producing a training manual for sustainable land management. However, with training activities having stopped for sometime, it was reported that there was no government funding available to allow trained personnel to put “their skills and training into practice” to address the needs of communities. Under Outcome 3—research and reports were produced,

which raised awareness but produced no tangible results, such as changes in policy or practice. Several stakeholders reported on the sustainable land management project: (1) the approach was too biased toward producing manuals, GIS mapping and research, and “there was not enough field testing or piloting as part of capacity building with communities directly impacted by land degradation;” (2) little emphasis was placed on advocating for and improving coordination and funding for MAF and sustainable land management activities; (3) the project failed to link with rural livelihood, poverty reduction, disaster management, and agricultural activities, which was mostly because of the absence of pilot and demonstration activities; (4) cooperation with other ministries lasted only as long as the project —“we had good working relations but once the project ended so did the cooperation;” and (5) the project was over reliant on international consultants who were drawn from outside the region who did not always understand the country context.<sup>23</sup>

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<sup>23</sup> Interview data. See also Hardman (2011).



# 5. Relevance of GEF Support

In general, GEF projects have been relevant to Timor-Leste's national plans and the Constitution, and to its commitments to the CBD, the UNFCCC, and the UNCCD. Moreover, the emerging project experiences indicate that interventions have not always taken the Timorese context as the starting point for design.

## 5.1 Biodiversity

GEF financing for biodiversity in Timor-Leste has yet to move from foundational enabling activities to medium- and full-size project interventions. The GEF enabling activities have been relevant in terms of ensuring the country meets its obligations to the CBD and defines its priorities. The government's commitment to biodiversity conservation is apparent at the policy and legal framework level with regard to the current plans to put in place relevant laws. However, funding commitments are uncertain, although the government clearly has available funds to dedicate to the MAF and SEMA through the Petroleum Fund or through the establishment of an Environment Fund (Article 41 of the Basic Environment Law), if the necessary prioritization is made.

As shown in chapter 2, Timor-Leste has begun to make systematic efforts to protect its biodiversity with the creation of a protected areas system largely without significant development partner project assistance. The government has yet to put

in place comprehensive legal frameworks to govern the conservation and use of biodiversity and wildlife. However, the NBSAP has been approved and provides sufficient priorities and targets for the next decade, which includes establishing a relevant legal basis for biodiversity conservation. In terms of the major international agreements concerning biodiversity, Timor-Leste acceded to the CBD in 2006 but did not join the Cartagena Biosafety Protocol. Timor-Leste is also not a party to the Convention on International Trade in Endangered Species or to the Ramsar Convention on Wetlands of International Importance. The government has indicated in the NBSAP that the Nagoya Protocol is likely to be signed and ratified in the near future. Hence there are gaps in the country's alignment with the CBD.

As already discussed in earlier chapters, Timor-Leste has recently completed the NBSAP and the country report to the CBD. Follow-up global and regional projects implemented by the United Nations Environment Programme will assist the country in submitting the fifth report to the CBD, further updating the NBSAP, and building capacity for access and benefit sharing. However, neither project will address tangible on-the-ground challenges—such as improving the management of the protected areas system and gaining the support and involvement of communities in conservation activities that also address their livelihood needs.



At the national level, conservation of the environment in broad terms is enshrined in the Constitution (see section 2.5) and has been emphasized in the Strategic Development Plan 2011–2030, which proposes to develop biodiversity and wildlife conservation laws to improve the legal framework in country.<sup>1</sup> While these laws once enacted will provide national legislative “anchor points” to ensure relevance, the country will need to commit resources to SEMA and the MAF to ensure implementation. Currently, the government’s relevant policy statements have not produced budgetary commitments to support biodiversity conservation as the country moves from foundational enabling activities to the development of pilot or demonstration and investment activities. Furthermore, there is a perception among some stakeholders that GEF funding through periodic STAR allocations (GEF-5 and beyond) will be the main source of funding for biodiversity conservation.<sup>2</sup>

With the exception of the support provided through UNDP for national projects and the United Nations Environment Programme through regional GEF projects, the other development partners have not provided significant support for biodiversity conservation. Birdlife International was actively involved in surveying and supporting the creation of the IBAs, many of which overlap with the protected areas system. Conservation International planned to open an office in late 2012, and will concentrate on assisting the government and districts in protecting the coastal and marine biodiversity in line with the support of the Coral Triangle initiative.

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<sup>1</sup> The initial drafts of the Strategic Development Plan did not include any reference to the environment; the UNDP country office subsequently advised the government to put in the requisite emphasis on the environment, climate change, and natural resource conservation. The main emphasis was on poverty reduction given the overall context within Timor-Leste.

<sup>2</sup> Interview data.

## 5.2 International Waters

Timor-Leste has joined the international waters project initiatives recently. The cross-sector and interministerial approaches promoted through the projects are relevant to the challenges faced by the country. However, the visibility of the projects varies considerably with SDS-SEA having the most organized and influential presence, followed by the ATSEA project. The ADB-implemented Coral Triangle initiative appeared to be unknown to the government in terms of implementation, and hence of little practical relevance.<sup>3</sup>

Timor-Leste’s marine environment is of importance to the island in terms of its biodiversity, fisheries, and potential to grow existing modest tourism benefits. The country has yet to develop laws and policies for the management of the coastal zone and marine areas. Timor-Leste has not acceded or ratified the key international waters-related conventions, such as the United Nations Convention on the Law of the Sea and the International Convention on the Prevention of Pollution from Ships (see chapter 2).

The country has participated in international waters regional projects since 2008/09, which have effectively included Timor-Leste in the relevant regional initiatives, such as PEMSEA and the Coral Triangle. They have also started the process of cooperation, coordination, and assistance from other regional partners, such as Australia, Indonesia, and the Philippines. The SDS-SEA project is providing assistance for the country to develop national coastal and marine policy involving an inter-ministerial team, which will enhance alignment with national priorities.

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<sup>3</sup> Interviews with stakeholders confirmed that Timor-Leste has yet to be meaningfully included in the implementation of the project, apart from some involvement in preparatory research projects in 2008/09.

The ATSEA project is based on the standard TDA-SAP international waters implementation model and the primary output will be the SAP and national plans of action, which if implemented have the potential to reduce stresses on the coastal and marine resources. In Timor-Leste, such actions are likely to be linked to land degradation or deforestation issues, which are causing coastal siltation. However, it is unclear as to how embedded the project is in national priorities. The MAF reported that it was challenging to coordinate other ministries to support the project, particularly when the incentives for involvement were not clear.<sup>4</sup> The project is not listed in the UNDP country office portfolio, since the United Nations Office for Project Services from Jakarta and the UNDP Regional Office in Bangkok managed it, hence there is no in-country implementing agency presence to assist in showing relevant links to ongoing national policies and activities. Many of the in-country stakeholders were unaware of the project. The ADB Coral Triangle project also does not have a high profile within the country, with few of the stakeholders reporting knowledge of the project. Those who were aware noted that it had been delayed for several years after a number of preparatory studies had been conducted with no follow-up. Hence, despite the relevance of conserving the coral reefs around the country, the project's inaction does not seem to ensure that relevance is captured.

The SDS-SEA pilot or demonstration projects, which are under implementation, are focused on community-level sustainable livelihood activities—seaweed collection and salt production. Both have demonstrated good potential, but it is unclear as to the extent that they are grounded in national or district level plans, or how they will inform the development of the forthcoming coastal and marine policy. However, PEMSEA is an established

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<sup>4</sup> Interview data.

regional institution with good links and capacity to assist Timor-Leste to ensure relevant links are made, as well as transferring experience and knowledge from around the region of relevant approaches that have yielded results.

### 5.3 Climate Change

Overall, in the field of climate change, and particularly adaptation, GEF support has the potential to influence Timor-Leste's current development focus on infrastructure development in rural areas where most of the population resides. Given the country's climate risk profile and specific geological and meteorological characteristics, the interventions have a high degree of relevance and a strong potential to make "climate adaptation and climate proofing" an essential part of government policy and investment. Climate change mitigation's contribution to global environmental benefits will always be small given the country characteristics. However; the focus on mitigation is relevant given the national and local benefits associated with reducing wood fuel dependency and maintaining forest cover, and in doing so reducing land degradation threats. The challenge now concerns how the country mainstreams and finances climate change adaptation and how ministries coordinate or cooperate to ensure the necessary engineering and technical changes are input into infrastructure construction to increase the resilience and lower vulnerabilities to climatic extreme events.

In Timor-Leste, adaptation issues are viewed as important because of the high susceptibility to climate-induced disasters, particularly flooding and landslides. Mitigation is not a strong priority as Timor-Leste is a negligible emitter of carbon dioxide. The government does recognize that a mixed approach to energy is necessary; therefore, renewable (solar photovoltaic and hydro) and energy efficiency (improved cook stoves) are being encouraged. Furthermore, with a growing popula-

tion there is a strong national incentive to sustainably manage and reduce dependence on wood fuel, which is currently used by more than 90 percent of the population for cooking (Mercy Corps 2011). The government ratified the UNFCCC and the Kyoto Protocol in 2006 and 2008, respectively. The NCSA process was a catalyst for the ratification, as it raised awareness of the benefits of accession to the convention, including access to GEF LDCF financing.

The NAPA was the first climate change focal area enabling activity for Timor-Leste. The project was strategic in addressing and responding to priorities outlined in the SDP, most importantly, the development of national adaptation program. It was timely because previously the country had scant knowledge about the likely impacts of climate change on the country. The working group structure adopted by the project allowed for a good buy-in from the various ministries, such as infrastructure, agriculture, and health. However, the working group structure included consultations at the district level in Baucau, Bobonaro, Ermera, Manufahi, Oecussi, and Ambeno. Agriculture, water, and infrastructure sectors were identified as the most relevant and in need. The project was a necessary condition for the accessing of the LDCF and informed the design of the climate change adaptation project with the focus on small-scale infrastructure and community-based actions. Given the high priority accorded by the government to infrastructure development and the geological and climatic risks, the projects relevance is well developed (see chapter 4). The Initial National Communication project is under implementation and addresses the priorities for climate change outlined in the Strategic Development Plan, including the following: creation of a national authority responsible for coordinating and capturing carbon market opportunities and establishment of a national climate change center (by 2015) with responsibilities for conducting a national research program (e.g.,

technology and other climate change chemicals, such as ODS.<sup>5</sup>) The approach is in line with the UNFCCC and with GEF strategies.

The GEF biomass project currently under preparation by UNDP and the government will focus on developing bioenergy, including the development of guidelines and of a legal and institutional framework for the growth of bioenergy businesses; and the development of local supply chains for improved cook stoves, briquetting, and biogas. Research by the World Bank and Mercy Corps indicates that the project's local relevance is not likely to be automatic, even though the project will assist in mitigating carbon emissions from wood fuel, has clear global relevance, and is in line with the national policies to diversify energy use.<sup>6</sup> There are considerable barriers to overcome; among the most serious is the relative low cost and abundance of wood fuel, making it difficult to persuade households to give up traditional cooking practices and adopt more efficient cook stoves.

The success of the improved cook stoves and briquetting rests on the project's being able to overcome barriers and demonstrate relevance at the household level. A major attraction (or push factor) of the improved cook stoves relates to health benefits in terms of reducing indoor smoke, which causes eye and respiratory problems.<sup>7</sup> Furthermore, the improved stoves are quicker and more fuel efficient for cooking than traditional three-stone cook stoves—thus, saving time in terms of reducing the

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<sup>5</sup> Briefing Note for the GEF Country Portfolio Study and UNDP ADR: Environment Results.

<sup>6</sup> World Bank (2010) and Mercy Corps (2011).

<sup>7</sup> Mercy Corps surveys indicated that woman and children are not always aware of the link between indoor smoke inhalation and disease; hence, programs would need to carry out sensitization and awareness raising to reinforce efforts for technological adoption.

need to collect large amounts of wood fuel. These are benefits that particularly accrue to women and children (as collectors of wood fuel and with being responsible for preparing meals) and are more relevant than stressing environmental benefits, which would be of little immediate relevance at the household level. As already mentioned in chapter 4, the biogas pilots under the UNDP Participatory Renewable Energy Development Project were assessed as part of the UNDP initiative and found not to be of limited relevance to households with few animals, as plenty of dung is needed for digester to produce sufficient gas for cooking. Furthermore, collecting dung was reported to be more labor intensive and time consuming than collecting wood fuel. Timorese tend not to stall feed or fence buffalo and cattle in one field, but they allow the animals to roam; hence, the dung is often widely dispersed. At present, it is not clear how the project design will incorporate local Timorese context into preparation.

Other development partners, such as AusAID and USAID, are active in the climate change area but mostly with regard to adaptation. Timor-Leste is currently part of AusAID's<sup>8</sup> International Climate Change Adaptation Initiative, which is investing over \$150 million into research, community-based adaptation small grants throughout the Asia-Pacific region, including Timor-Leste.<sup>9</sup>

## 5.4 Desertification and Land Degradation

Land degradation is a relevant area for GEF interventions in Timor-Leste with a potential strong global-national and local resonance. However, for forthcoming projects the lesson is clear—take

the Timorese context as the foundation for the intervention.

Timor-Leste suffers substantial land degradation associated with deforestation. It joined, acceded, and ratified the UNCCD in 2003. Indeed, this was the first environmental agreement that the country signed. It has produced a NAP, which details the priorities for mitigating land degradation; however, this is still awaiting approval by the Council of Ministers. The GEF sustainable land management project (implemented by UNDP) was recently completed but the relevance of the design and implementation was questioned by the terminal evaluation:

The project design is apparently derived from a global template used for the portfolio projects that provided a starting point of a common set of goals, objectives and outcomes. The design for the specific Timor-Leste Prodoc was conducted by an external consultant and involved a process of approximately one-month in country. From the consultant's trip report it appears the process consisted of a relatively small number of consultations and field visits and the writing of the proposal. Although the author was assisted by a national consultant, the level of contextual understanding that could be gained by the author during that time and with that level of engagement is severely limited. One result is that the project design is extremely ambitious for a country such as Timor-Leste that does not have established institutions.<sup>10</sup>

Project stakeholders also reported that the project's capacity building was mostly provided through international consultants or training outside of the immediate region and this reduced the relevance

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<sup>8</sup> AusAID (2012).

<sup>9</sup> AusAID is providing \$2 million in grant cofunding for the GEF climate change adaptation project under the LDCF.

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<sup>10</sup> Hardman (2011).

because the contexts and challenges are not the same. The experience was contrasted with current support provided to the Directorate of Forestry by GIZ where Timorese forestry guards are being sent for training in Indonesia, which has similar forestry context. Therefore, the guards come back with skills that can be applied in the Timor-Leste context. This illustrates that promising South-South capacity transfer and cooperation may be a more effective and efficient way to build the skills and knowledge as opposed to using Western experts or sending staff to developed countries outside of the immediate region.

As already discussed (see chapter 4), the project design did not fully appreciate the very specific context of postconflict or fragile state. Instead, the project design was largely a cookie-cutter design approach in which solutions and contexts were predetermined and resources inadequate to achieve the main outcome, which was mainstreaming sustainable land management across ministries and sectors. In essence, it ignored the OECD's Development Assistance Committee's principles on engagement with fragile states:

Take context as the starting point. It is essential for international actors to understand the specific context in each country, and develop a shared view of the strategic response that is required. It is particularly important to recognize the different constraints of capac-

ity, political will and legitimacy, and the differences between: (i) post-conflict/crisis or political transition situations; (ii) deteriorating governance environments, (iii) gradual improvement, and; (iv) prolonged crisis or impasse. Sound political analysis is needed to adapt international responses to country and regional context, beyond quantitative indicators of conflict, governance or institutional strength. International actors should mix and sequence their aid instruments according to context, and avoid blue-print approaches.<sup>11</sup>

## 5.5 Multifocal Area Activities

The SGP will commence operation in Timor-Leste later in 2012, with projects in such fields as biodiversity, alternative energy, and sustainable land management. The SGP is likely to be particularly relevant to Timor-Leste as much of the population still live in rural areas and depend on natural resources for their livelihoods.

There are already a group of well-established environmental–community livelihood NGOs in Timor-Leste. Moreover, the SGP has a good opportunity to further develop multifocal approaches, particularly in relation to adaptation and sustainable land management and agriculture.

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<sup>11</sup> <http://www.oecd.org/dataoecd/61/45/38368714.pdf> (accessed March 2012).

## 6. Efficiency of GEF Support

The overall support of GEF-financed activities depends on many factors, including the GEF Activity Cycle, Agency systems, government procedures, in-country human capacity, and the roles of stakeholders.

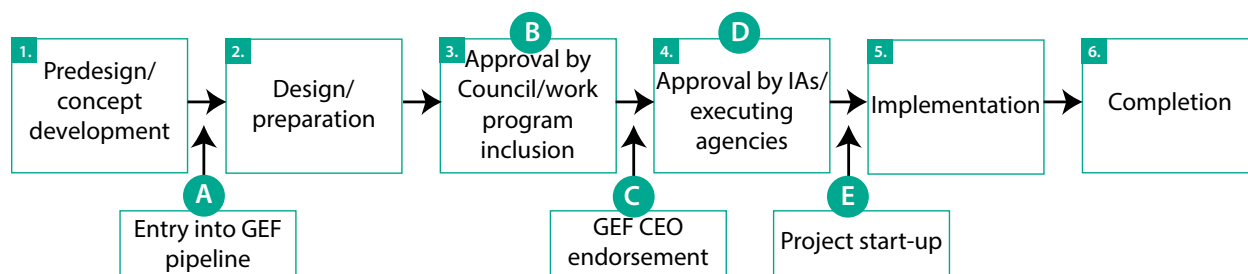
Based on the small portfolio that has been designed and implemented so far, project preparation times have been within acceptable limits. Implementation has taken longer than expected mainly because of weaknesses in national capacities associated with the difficulties in finding national project managers and consultants. Hence, there is still a strong reliance on international expertise. The operational focal point mechanism is challenged by a lack of understanding of GEF procedures and practices, which is not assisted by exclusion from project preparation and implementation.

### 6.1 The GEF Activity Cycle

A schematic view of the GEF Activity Cycle is provided in figure 6.1. This project cycle was used up to the end of 2007, and three of the four national projects were approved under this cycle, with one straddling it and the introduction of the new cycle in 2008.

It can be seen that most steps are taken before a project starts. An important element is the design and preparation stage. The option has always been available to obtain GEF funds to assist in this process, which may include original research and extensive consultation processes to build stakeholder understanding and ownership. Projects that have received GEF assistance for this stage (earlier called a project development facility [PDF] and now

FIGURE 6.1 Key Elements of the GEF Activity Cycle



NOTE: IA = Implementing Agency.



a project preparation grant) may, therefore, show a long duration in moving from stage A to stage B. This does not in itself reflect inefficiency, but a thorough preparatory and consultative process. On the other hand, once the Council has approved a project, the step to CEO endorsement does not usually require substantial additional work. However, this stage of the cycle may run into problems of availability of funds, either overall or for specific focal areas. The efficiency of the activity cycle cannot be assessed simply by comparing the durations of stages across projects. This measure is mainly informative when projects and other elements of the system are compared across similar activities in similar situations.

A brief analysis of the Activity Cycle for the GEF Timor-Leste portfolio is presented in tables 6.1 and 6.2.

It is not possible to make any definitive conclusions on the efficiency of the GEF project cycle,

given the small number of projects and the lack of several medium-size projects and full-size projects. For the enabling activities, the NCSA project took a little under two years to go from A to E and utilized a PDF-A. However, the subsequent NBSAP and NAPA enabling activities were approved much more quickly as stakeholders became more familiar with the process.

Cofinancing is often reported to hold up projects during the design period as development partners “go searching” for funds to leverage against the GEF commitments; however, in Timor-Leste this does not appear to be a significant concern in the portfolio because of the immaturity. In general, enabling activities do not require significant cofinance. For the projects under preparation, LDCF adaptation and biomass investments both have substantial government cofinancing and parallel project financing through UNDP, AusAID, and the European Union. In the future, it is clear that cofinancing from the government may be provided

**TABLE 6.1 Duration of the Activity Cycle for GEF-Supported Medium-Size Projects in Timor-Leste**

Project title	Duration between phases (days)					
	A→B	B→C	C→D	D→E	B→E	A→E
LDC/SIDS Capacity Building in and Mainstreaming of Sustainable Land Management in East Timor	—	—	—	0	298	—

NOTE: — = not available. Data are based on the received date in the GEF database, not the pipeline entry date. See figure 6.1 for stages of GEF Activity Cycle (A–E).

**TABLE 6.2 Duration of the Activity Cycle for GEF-Supported Enabling Activities in Timor-Leste**

Project title	Duration between phases (days)					
	A→B	B→C	C→D	D→E	B→E	A→E
National Capacity Self-Assessment (NCSA) for Global Environment Management	—	—	266	—	—	680
National Adaptation Programme of Action to Climate Change (NAPA) Formulation Project	—	—	133	—	—	162
National Biodiversity Strategy Action Plan, the First & Third National Report to CBD, Establishment of Clearing House Mechanism	—	—	20	—	—	89

NOTE: — = not available. Data are based on the received date in the GEF database, not the pipeline entry date. See figure 6.1 for stages of GEF Activity Cycle (A–E).



through the Petroleum Fund. Furthermore, as already mentioned the draft Basic Environment Law proposes setting up an “environmental fund.” However, the exact nature of the fund and its operation is to be determined. There are similar activities in the region, such as the Bhutan Environmental Trust Fund, from which comparative experience could be drawn.

The main issue is with delays in implementation caused by lack of capacity in country and turnover within the UNDP country office, which is discussed in more detail below.

## 6.2 Agency Processes

Currently, UNDP implements the entire Timor-Leste portfolio. As already discussed (see chapters 2 and 3), the World Bank and ADB do not generally implement enabling activities, which have been the main focus of the country portfolio. Furthermore, the World Bank and ADB (unlike UNDP) have no environmental specialists based in country. Stakeholders reported that UNDP has built a close relationship with the government, which has enabled it to be more responsive in assisting in developing new full-size project proposals.

### UNDP

With regard to the UNDP-GEF activities, the GEF portfolio has been subject to delays and lacked implementation efficiency. Many projects have experienced some form of delay because of difficulties encountered in recruiting suitably qualified national managers and consultants to staff project implementation units. The capacity challenges have led to the need for UNDP to take a more direct role in implementation and gaps in national capacity have been filled through the recruitment of UN volunteers, who have been based in the UNDP country office and the Ministry of

Economy and Development. However, in recent years changes in staff within UNDP, including UN volunteers, have resulted in loss of continuity on implementation, which has also contributed to project delays and reduction in the quality of communication between the UNDP country office and the government. For example, the commencement of the NBSAP preparation was delayed for 18 months because of difficulties associated with finding a qualified national project manager, limited internal staff capacity, and then high turnover on the side of UNDP.

The ongoing first national communication to the UNFCCC has also suffered a delay of over one year because of similar problems in recruiting qualified national staff and consultants. However, it has managed after some persistence to put together a national project team. In projects, UNDP has budgeted for a national project team. This was based on the assumption that national capacity could be found in the local employment market to manage environment projects: however, this assumption has generally not held. Difficulties in finding qualified national staff are the main cause of most of delays encountered in implementing enabling activities projects funded by the GEF. The UNDP country office’s Poverty Environment Unit has suffered from a high turnover of staff in the environment section, with movements recorded almost every year since the section was created in 2005 (see table 6.3).

The number of national staff has fluctuated as they have gained skills and then been recruited into government position which in itself contributed to government capacities, but reduced UNDP country office capacities to manage GEF projects. For international staff, the pressures of working in a sometimes stressful post-conflict location have caused a rapid and high degree of “burn out.” The UNDP country office has used UN volunteers in some of the more recent GEF enabling activities

TABLE 6.3 Number of Staff in the UNDP Country Office Environment Section

Staff	2005	2006	2007	2008	2009	2010	2011	2012
National	3	4	2	3	1	1	3	3
International	0	1	1	2	1	2	4	4
Total	3	5	3	5	2	3	7	7

to fill capacity gaps when national or other international expertise has not been available. While this has generally been a good strategy to ensure that outputs are delivered, the volunteers have only stayed between one and two years, with an adverse impact on institutional memory.<sup>1</sup> Furthermore, the government stakeholders have been frustrated by a lack of continuity, which has been detrimental for relationship building and importantly knowing the country context—a key issue in postconflict and fragile situations. UNDP is now adopting a flexible strategy and introducing mixed international and national teams from project formulation and through into implementation to ensure capacity issues are addressed and knowledge is transferred more systematically to national partners.

### 6.3 The GEF Focal Point Mechanism

The GEF operational focal point has no office, staff, or financial resources to support the function. There is no interministerial or GEF committee to review project proposals. Proposals are presented to the focal point for signature without significant prior involvement or, in some cases, knowledge. The focal point has limited knowledge of the GEF project cycle. It was reported that the project preparation grant process was confusing.

<sup>1</sup> For example, the NBSAP project manager was a UN volunteer recruited in 2010; however, that individual resigned and left before NBSAP completion. A second UN volunteer was recruited at short notice and finished the report with inputs from the government. Although the effort taken to produce the report is highly commendable under difficult circumstances, it has done little to arrest national capacity challenges.

This means that the focal point cannot contribute to project preparation apart from signing off on project concepts. For project implementation, the focal point is not actively involved in monitoring and evaluation or supervision or always kept informed of developments through regular meetings. This makes proactive management of the portfolio difficult. The focal point has no substantive involvement or knowledge of regional or global projects.

### EXPERIENCE IN DEVELOPING THE GEF PORTFOLIO

The experience of developing a GEF portfolio has been limited, because the portfolio is still relatively small when compared to those of other countries in the region. The UNDP country office has played a key role in supporting the development of the enabling activities in terms of explaining the benefits and allays fears of costs within the government associated with ratifying the conventions and fulfilling initial obligations. UNDP is still the major source of knowledge on GEF issues in country, and the focal point mechanism relies on the Agency for information and knowledge. However, the process for sharing knowledge was perceived as erratic and lacking transparency on project development. In recent years, the stakeholders remarked it was difficult to maintain consistent contact with the UNDP country office because of regular changes in staff in the Poverty Environment Unit.

As the portfolio is still immature, cofinance has not been a major challenge, as in other countries. The LDCF adaptation project and the biomass

project have been linked to parallel projects of other development partners. For example, adaptation is attracting some interest from bilateral partners (such as AusAID, the European Union, and USAID). SEMA and other stakeholders indicated that in the future, if an environment fund or access to the Petroleum Fund is granted, the government will be in a position to cofinance GEF projects. However, government funding priorities are currently focused more on development than environmental needs.

The government has little capacity to be substantively involved in the actual writing of project documents, which is mostly done by the UNDP regional office in Bangkok and the UNDP country office. For example, the sustainable land management medium-size project was largely produced from a “template” (see chapter 5), which later reduced the project’s relevance under implementation. Although such an approach was efficient for design purposes, it was not context appropriate. Stakeholders within the government expressed concerns about the extent to which design efficiency may be reducing the extent to which the Timorese context is considered.<sup>2</sup> The LDCF project has broad government ownership as it will address key priorities outlined in the NAPA and the process for design has been consultative. The biomass project is still undergoing development and the proposal requires further inputs from the government and the UNDP country office before being finalized.

## THE RAF AND THE STAR

The operational focal point had limited knowledge of the RAF and the STAR, although the allocations were known for GEF-5. Under the RAF, Timor-Leste was in the group allocations for biodiversity

and climate change; apart from enabling activities, no projects were developed. The RAF had little direct impact on the country as it was still developing and completing enabling activities to set the foundations for future portfolio development.

In the STAR (GEF-5) period, the country has for the first time had the opportunity to plan the development of its portfolio. Only the climate change biomass project is in an advanced stage of preparation and is likely to take the majority of the \$2 million allocation. The government’s plans for how to utilize the \$1.5 million for biodiversity and \$0.9 million for land degradation are so far unclear. Much will depend on the availability of cofinancing either through prioritization of government funding or other development partners. Regional projects are offering Timor-Leste some flexibility in addressing important marine and coastal biodiversity and resource management issues outside of the STAR, which is in-line with the experience of several other SIDS, such as Jamaica and Samoa.

## WORKING WITH GEF AGENCIES

The development of the GEF national portfolio has drawn exclusively from UNDP’s expertise. The UNDP country office makes the staff accessible and available to assist the focal point by clarifying procedural and programming issues and offering advice. Notwithstanding, the more recent turnovers in staff, which have adversely affected the quality and timelines of advice and knowledge sharing, UNDP staff members are the most approachable of the international agencies. It was reported that the other agencies have not shown significant interest in assisting Timor-Leste in developing the portfolio. Furthermore, the relations are intermittent because of the remote location of World Bank, ADB, and other agency staff. Other GEF Agencies, such as the Food and Agriculture Organization of the United Nations and the United Nations Industrial Development

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<sup>2</sup> Interview data.

Organization, have recently closed or scaled back their representation in Timor-Leste, effectively closing off regular contact and options for developing GEF projects.

## PARTNERSHIPS AND COLLABORATION

The immediate counterpart for UNDP-implemented activities is SEMA. UNDP has implemented or executed directly most of the enabling activities in coordination with SEMA. The sustainable land management project was implemented by a project implementation unit in coordination with the MAF's National Directorate of Forestry. However, most of the projects have required cross-ministerial collaboration and coordination as climate change, land degradation, and biodiversity are crosscutting issues. The combination of the necessity for collaboration and the use of the project implementation unit did not work well in the sustainable land management project:

The project worked across two ministries in particular, Ministry of Agriculture and Fisheries and Ministry of Economy and Development, and was intended to interact with various others (including Infrastructure, Justice and Territorial Administration). The PIU [project implementation unit] put considerable efforts into consultation for the major outputs, an example being the SLM [sustainable land management] Mainstreaming Guidelines. The level of participation by the key counterpart, National Directorate of Forestry, was reported to be strong in the first year of the project. However, this dropped away in subsequent years, frustrating the conduct of many activities. The TE [terminal evaluation] can only speculate on the actual reasons for this trend. The level of engagement by personnel from the Division of Environment was not particularly strong throughout. Apparently they saw the

project as being for the PIU and the Ministry of Agriculture and Fisheries to conduct, with their role being more consultative. It should be noted here that implementing actions across ministries in Timor-Leste is notoriously difficult. There is no existing culture of cooperation and collaboration across government, and an environment of rivalry and disinterest is common (Hardman 2011).

Partnership and cooperation in other projects have been stronger than that exhibited in the sustainable land management project with both the NAPA project obtaining support across ministries through a broad participatory process using cross-sectoral working groups. The first national communication to the UNFCCC has set up thematic working groups comprising of relevant ministries to contribute to the report, which are building the capacities of members, as well as fostering a culture of cooperation. However, many stakeholders highlighted coordination and partnership across ministries and directorates within ministries as problematic as rivalries are often of a political and social nature and underline project approaches, and therefore cannot be addressed.

Synergies with other development partners have yet to be concretely developed because the full-size projects are yet to begin implementation. However, the LDCF plans to develop synergies with the ongoing UNDP Local Government Support Program, AusAID, and EU adaptation initiatives. The biomass project, although in an early stage of development, intends to develop a partnership with Mercy Corps on fuel-efficient cook stoves. The UNDP country office also indicated that further NAPA implementation may be funded through the European Union.

In reaction to the Strategic Development Plan 2011–2030, the government requested that the development partners respond to ensure alignment. The partners have developed eight working

groups and mainly focused around governance and economic development issues (e.g., infrastructure). Environment comes under agriculture, which is beneficial for integrating into that area, but is absent from infrastructure. The UNDP country office is working with the World Bank and ADB to make sure environmental issues are considered more broadly in development partner assistance in Timor-Leste. The working groups provide a useful forum for the debate and discussion of such concerns as climate change adaptation and sustainable land management.<sup>3</sup>

Lastly, synergies and partnership are often essential ingredients for sustainability and long-term engagement, which is particularly important for such countries as Timor-Leste, which are transitioning out of fragility toward stable development. However, GEF discrete project approaches may not be the right approach to build capacity, as many stakeholders mentioned that “the process of stop-start-stop” tends to mean long-term engagement and partnership is not built to deliver benefits over more sustained time frames.

## 6.4 The Role of Monitoring and Evaluation

In terms of the Timor-Leste’s GEF portfolio as a whole, monitoring and evaluation have so far played a very limited role. UNDP has managed the enabling activities and produced internal reports (e.g., quarterly reports), which mostly detail inputs and outputs. Terminal evaluations or their equivalent are not normally undertaken for enabling

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<sup>3</sup> Interview data.

activities, but are available for some medium- and full-size projects. The sustainable land management project was recently evaluated; this was the first “terminal evaluation” of the portfolio. The report was well known within the MAF and the focal point was aware of it.

Overall, since few projects have been completed, there is little evaluation information on the portfolio. It is not possible for the focal point to gain insights at the moment into good or bad practices in a structured way from evaluation.

## 6.5 National Ownership

UNDP has mainly designed the GEF portfolio, which is relevant to national priorities, such as the Constitution and the Strategic Development Plan (Government of Timor-Leste 2011b, chapter 5). The government and other stakeholders have been consulted during design and involved at appropriate point in the implementation. However, international consultants or UN volunteers have produced many of the key outputs. On the other hand, the extremely limited capacities within government and nationally have greatly constrained the extent to which national ownership could be effectively built. In short, it is has been challenging to give Timorese a leadership role in the preparation and drafting of key enabling activities reports when they lack the skills to produce reports that will meet convention requirements. This has resulted in the decision to rely on external expertise; however, in doing so the ownership and capacities have remained lower than expected. The focal point has the individual capacity to become more involved, but with minimal resource possibilities for an enhanced ownership, it will be difficult to attain.

# Annex A.

## Standard Terms of Reference for GEF Country Portfolio Studies

*This annex presents the terms of reference and evaluation matrix for GEF country portfolio studies. Minor editorial changes have been made.*

### A.1 Background

Country portfolio studies (CPSs) are an addition to the country portfolio evaluations (CPEs) that are one of the main evaluation streams of work of the GEF Evaluation Office.<sup>1</sup> By capturing aggregate portfolio results and performance of the GEF at the country level, they provide useful information for both the GEF Council and the countries. CPEs' relevance and utility will increase in GEF-5 with the increased emphasis on country ownership and portfolio development at the country level. The CPSs complement the CPEs and provide additional coverage of country portfolios, but have a reduced focus and scope. They are undertaken where opportunities to collaborate with independent evaluation offices of GEF partners present themselves. With a relatively lower investment in costs and efforts, the Evaluation Office will be able to study the GEF portfolio in a country where a country-level evaluation of a GEF Agency is taking place, thus reducing the evaluation burden to these

countries while gaining insights and understanding through information exchange and collaboration.

This document is based on the revised standard terms of reference for CPEs approved on September 16, 2010. CPSs will be conducted fully and independently by the GEF Evaluation Office in collaboration with GEF Agency evaluation offices. Collaboration with future or ongoing evaluations conducted by GEF Agency evaluation offices will produce more informed and complete evaluations. The exchange of information will provide the evaluations with a broader context and a better understanding of priorities and how the country portfolio has evolved. This joint work will also lead to parallel reporting to the GEF Council and the Agency concerned. CPSs are limited in scope compared to CPEs, with more concrete questions, fewer number of stakeholders to be interviewed (basically the key actors participating in the GEF in the country), and limited visits to projects (one or two completed projects to verify results).

These standard terms of reference will be used to guide CPSs without having to prepare country-specific terms of reference as is done for CPEs. In addition, specific agreements will be developed between the GEF Evaluation Office and the relevant GEF Agency evaluation office to govern the collaboration between offices. Such agreements will highlight the reciprocal benefits and synergies

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<sup>1</sup> Countries having undergone CPEs during GEF-4 are Costa Rica, the Philippines, Samoa, Benin, Cameroon, Madagascar, South Africa, Egypt, Syria, Moldova, and Turkey.



of the collaboration from the point of view of the two offices and the concerned country.

## A.2 Objectives

The purpose of CPEs and CPSs is to provide the GEF Council with an assessment of how the GEF is implemented at the country level, to report on results from projects, and to assess how these projects are linked to national environmental and sustainable development agendas as well as to the GEF mandate of generating global environmental benefits within its focal areas. These studies will have the following objectives:

- Independently evaluate the *relevance* and *efficiency*<sup>2</sup> of GEF support in a country from several points of view: national environmental frameworks and decision-making processes, the GEF mandate and the achievement of global environmental benefits, and GEF policies and procedures
- Assess the *effectiveness* and *results*<sup>3</sup> of completed projects aggregated at the focal area
- Provide *feedback* and *knowledge sharing* to (1) the GEF Council in its decision-making process to allocate resources and to develop policies and strategies, (2) the country on its participation in or collaboration with the GEF, and (3) the different agencies and organizations involved in

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<sup>2</sup> *Relevance*: the extent to which the objectives of the GEF activity are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' policies; *efficiency*: a measure of how economically resources/inputs (funds, expertise, time, and so on) are converted to results.

<sup>3</sup> *Results*: the output, outcome, or impact (intended or unintended, positive or negative) of a GEF activity; *effectiveness*: the extent to which the GEF activity's objectives were achieved, or are expected to be achieved, taking into account their relative importance.

the preparation and implementation of GEF-funded projects and activities

CPSs do not have an objective of rating the performance of GEF Agencies, partners, or national governments. The studies will analyze the performance of individual projects as part of the overall GEF portfolio, but without rating such projects. However, information on performance will be gathered and integrated into the general reporting of the CPE stream of evaluation work of the Office, as well as the performance stream of work.

## A.3 Key Evaluation Questions

GEF CPSs are guided by the following key questions, and each case study will report only on those that are appropriate and for which sufficient information could be found (also identifying which questions were inappropriate and for which questions insufficient information was available):

- Effectiveness, results, and sustainability
  - What are the results (outcomes and impacts) of completed projects?
  - What are the aggregated results at the focal area and country levels?
  - What is the likelihood that objectives will be achieved for those projects that are still under implementation?
  - Is GEF support effective in producing results related to the dissemination of lessons learned in GEF projects and with partners?
  - Is GEF support effective in producing results that last over time and continue after project completion?
- Relevance
  - Is GEF support relevant to the national sustainability development agenda and environmental priorities, national development needs and challenges, and action plans for the GEF's national focal areas?



- Are the GEF and its Agencies supporting environmental and sustainable development prioritization, country ownership, and the decision-making process of the country?
  - Is GEF support in the country relevant to the objectives linked to the various global environmental benefits in the biodiversity, climate change, international waters, land degradation, and persistent organic pollutant focal areas?
  - Is the country supporting the GEF mandate and focal area programs and strategies with its own resources and/or with support from other donors?
- Efficiency
    - How much time, effort, and financial resources does it take to formulate and implement projects, by type of GEF support modality?
    - What role do monitoring and evaluation play in increasing project adaptive management and overall efficiency?
    - What are the roles, types of engagement, and coordination among different stakeholders in project implementation?
    - What are the synergies for GEF project programming and implementation among GEF Agencies, national institutions, GEF projects, and other donor-supported projects and activities?

Each of these questions is complemented by indicators, potential sources of information, and methods, as contained in the standard CPE evaluation matrix (included at the end of these terms of reference as table A.2). This matrix can be used to determine which questions are appropriate and for which sufficient information could be found.

## A.4 Scope and Limitations

CPSs can cover GEF-supported activities in the country at different stages of the project cycle

(ongoing and completed) and implemented by all GEF Agencies in all focal areas, including applicable GEF corporate activities such as the SGP. The main focus of the evaluation will be nationally implemented projects. In addition, national components of regional and global projects could be taken into consideration to present the overall support and participation in the GEF, but without attempting to fully assess their aggregate relevance, results, and performance.<sup>4</sup> Special attention will be paid to international waters projects, which are usually regional in nature.

The main focus of CPSs will be on completed projects and partly on ongoing projects. The stage of the project will determine the expected focus (see table A.1).

TABLE A.1 Focus of Evaluation by Project Status

Project status	Focus		On an exploratory basis	
	Relevance	Efficiency	Effectiveness	Results
Completed	Full	Full	Full	Full
Ongoing	Full	Partially	Likelihood	Likelihood

The GEF does not have country programs, so there is no GEF framework with predetermined objectives against which to assess overall results of GEF support.<sup>5</sup> The CPS will therefore consider the portfolio of projects and activities, their objectives, their internal coherence, and how the portfolio has evolved. The country programs of GEF Agencies, as agreed with the government and the country's

<sup>4</sup> The review of selected regional projects will feed into the aggregate assessment of the national GEF portfolio described above.

<sup>5</sup> Voluntary national portfolio formulation exercises (NPFs) are being introduced in GEF-5. CPSs that will be conducted in countries having chosen to do an NPFE will use it as a basis for assessing the aggregate results, efficiency, and relevance of the GEF country portfolio.

national strategies and mid- and long-term goals, will be considered as a relevant framework for GEF support.

GEF support is provided through partnerships with many institutions, so it is challenging to consider GEF support separately from the contribution of partners. The CPS will not attempt to provide a direct attribution of development results to the GEF, but will try to address the contribution of GEF support to overall achievements.

The context in which these projects were developed, approved, and are being implemented constitutes another possible focus of the CPS. To the extent feasible, the study will include a brief historical presentation of the national sustainable development and environmental policies, strategies, and priorities; the legal environment in which these policies are implemented and enforced; and their relationship to GEF Agency country strategies and programs, and the relevant GEF strategies, policies, principles, programs, and projects.

The assessment of results will be focused, where possible, at the level of outcomes and impacts rather than outputs. Project-level results will be measured against the overall expected impact and outcomes from each project. Progress toward impact of one adequately mature project (that is, completed for at least two years) will be assessed through a field review of outcomes to impacts (ROtI) study, where applicable. Expected impacts at the focal area level will be assessed in the context of GEF objectives and indicators of global environmental benefits. Outcomes at the focal area level will be primarily assessed in relation to catalytic and replication effects, institutional sustainability and capacity building, and awareness.

## A.5 Methodology

CPSs will be conducted by staff of the GEF Evaluation Office and consultants based in the country or with extensive country experience (the study team), led by a task manager from the GEF Evaluation Office.<sup>6</sup> The consultant(s) should qualify under the GEF Evaluation Office Ethical Guidelines, and will be requested to sign a declaration of interest to indicate no recent (last three to five years) relationship with GEF support in the country. The GEF Evaluation Office will provide extensive support in preparing databases and project review protocols, identifying and providing documentation and contact with relevant institutions, as well as any necessary logistical arrangements at the local level. The GEF operational focal point in the country, although not a member of the study team, will be an essential partner in the study.

The methodology includes a series of components using a combination of qualitative and quantitative evaluation methods and tools. The CPS will to a large extent depend on existing documents that provide overviews of issues, aggregate results, or independent analysis of legal frameworks, strategies, and trends in sustainable development and the environment. The expected sources of information could include documents and articles on the following:

- *Country level:* national sustainable development agendas, environmental priorities and strategies, GEF-wide focal area strategies and action plans, and global and national environmental indicators
- *GEF Agency level:* country assistance strategies and frameworks and their evaluations and reviews

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<sup>6</sup> For the study team, preference will be given to local consultants when possible.

The following are primary documents to be reviewed during the CPS:

- *Project level*: project documents, project implementation reports, terminal evaluations, terminal evaluation reviews, reports from monitoring visits, and any other technical documents produced by projects
- *Evaluative evidence*: at the country level from other evaluations implemented either by the GEF Evaluation Office, by independent evaluation units of GEF Agencies, or by other national or international evaluation departments

Moreover, evaluative information will be sought in the country through the following:

- Interviews with selected GEF stakeholders, including the GEF operational focal point and other relevant government departments, civil society organizations, and academia (including both local and international NGOs with a presence in the country), selected GEF Agencies, the SGP, and the national UN conventions' focal points
- Interviews with selected GEF beneficiaries and supported institutions, municipal governments and associations, and local communities and authorities
- Field visits to selected project sites, using methods and tools developed by the GEF Evaluation Office such as the ROTI and the Terminal Evaluation Verification Guide, depending on the maturity of the portfolio
- National consultation workshops conducted by or in collaboration with the relevant GEF Agency evaluation unit

Where feasible, indicators will be used to assess the relevance and efficiency of GEF support using

projects as the unit of analysis (that is, linkages with national priorities, time and cost of preparing and implementing projects, etc.) and to measure GEF results (that is, progress toward achieving global environmental impacts) and performance of projects (such as implementation and completion ratings). Available statistics and scientific sources, especially for national environmental indicators, will also be used. Where sufficient data and findings are available, triangulation will be applied in the analysis to verify and validate findings.

The CPSs will include visits to selected project sites. The criteria for selecting the sites will be finalized during the implementation of the study, with emphasis placed on completed projects and those clustered within a particular geographic area given time and financial resource limitations both ongoing and completed projects. The task manager will decide on specific sites to visit based on the initial review of documentation and balancing needs of representation as well as cost-effectiveness of conducting the field visits.

## A.6 Process and Outputs

Countries for CPSs are selected based on opportunities for collaboration with GEF Agency evaluation units. The study team will complete the following tasks, with support from the GEF Evaluation Office:

- Decide on specifics of collaboration with the relevant GEF Agency evaluation unit.
- Secure government support, in particular the GEF operational focal point, in collaboration with the GEF Agency evaluation unit.
- Collect information and review literature to extract existing reliable evaluative evidence.
- Prepare specific inputs to the CPS, including

- the *GEF portfolio database*, which describes all GEF support activities within the country, basic information (GEF Agency, focal area, implementation status), project cycle information, GEF and cofinancing financial information, major objectives and expected (or actual) results, key partners per project, etc.
  - the *country environmental legal framework*, which provides a brief historical perspective of the context in which the GEF projects have been developed and implemented and which will be accompanied by a timeline diagram that shows how GEF support relates over time to the development of the national environmental legislation and policies, as well as to the international environmental agreements signed by the country; and
  - a description of the country’s contribution to the GEF mandate of achieving *global environmental benefits* in its focal areas, based on the most readily available indicators, such as main species and percentage of land under protected status for biodiversity, greenhouse gas emissions for climate change, and others used in project documents.
- Conduct at least one field study (ROTI or field verification of terminal evaluation) of a completed national project, selected in consultation with the Office staff, which will contribute to strengthening the information gathering and analysis on results, as appropriate.
  - Conduct the evaluation analysis and triangulation of collected information and evidence from various sources, tools, and methods.
  - Prepare draft report and presentation for consultation/workshop jointly with the relevant GEF Agency evaluation office. Workshop participants include government and other

national stakeholders, project staff, donors, GEF Agencies, and civil society. Stakeholder feedback will be sought on the main CPS findings, conclusions, and preliminary recommendations. The workshop will also be an opportunity to verify eventual errors of facts or analysis in case these are supported by adequate additional evidence brought to the attention of the evaluation team.

- Prepare final CPS report, which incorporates comments received through consultations/workshop with national stakeholders.

The GEF operational focal point will be requested to provide support to the CPS such as suggestions on key people to be interviewed, facilitation of communication with relevant government departments, support for the agenda of the evaluation, field visits and meetings, and suggestions on main documents. GEF Agencies will be requested to provide support to the CPS regarding their specific projects or activities supported by the GEF, including suggestions on key project and Agency staff to be interviewed, participation in interviews, arrangement of field visits to projects, and provision of project documentation and data.

The main output of the CPS will be a report consisting of a systematic treatment of all the key questions that could be answered, including data, analysis, and evaluative judgments. The GEF Evaluation Office will bear full responsibility for the content of the report. Government and national stakeholders will be able to review and comment on a draft prior to finalization. The GEF Evaluation Office will take sole responsibility for including the data, analysis, and judgments in the annual country portfolio evaluation report and will make the CPS available to the GEF Council and the general public through the GEF website.

TABLE A.2 Standard Evaluation Matrix

Key question	Indicators/basic data	Sources of information	Methodology
<b>Is GEF support effective in producing results...</b>			
... at the project level?	Project outcomes and impacts	Project staffs and beneficiaries, national and local government representatives ROtI studies	Focus groups and individual interviews ROtI methodology
	Existing ratings for project outcomes (i.e., self-ratings and independent ratings)	Project-related reviews (implementation reports, terminal evaluations, terminal evaluation reviews, etc.)	Desk review, project review protocols
	Changes in global benefit indexes and other global environmental indicators	Evaluative evidence from projects and donors, Global Environmental Benefits Assessment	Literature review, meta-analysis of evaluation reports
... at the aggregate level (portfolio and program) by focal area?	Aggregated outcomes and impact from above	Project staffs and beneficiaries, national and local government representatives ROtI studies	Focus groups and individual interviews ROtI methodology
		Project-related reviews (implementation reports, terminal evaluations, terminal evaluation reviews, etc.)	GEF Portfolio aggregate analysis
		Catalytic and replication effect	Data from overall projects and other donors ROtI studies
	Contribution by the GEF	Project staffs and beneficiaries, national and local government representatives	Focus groups and individual interviews
		Data from overall projects and other donors ROtI studies	Desk review ROtI methodology
		Project staffs and beneficiaries, national and local government representatives	Focus groups and individual interviews
... at the country level?	Aggregated outcomes and impact from above	Project-related documentation (project documents and logframes, implementation reports, terminal evaluations, terminal evaluation reviews, etc.)	GEF portfolio aggregate analysis, desk review
	Overall outcomes and impacts of GEF support	Project staffs and beneficiaries, national and local government representatives	Field visits, focus groups and individual interviews
	Catalytic and replication effect	Data from projects financed by other donors and or by the government. ROtI studies	Desk review, ROtI methodology
... related to the dissemination of lessons learned in GEF projects and with partners?	Project design, preparation and implementation have incorporated lessons from previous projects within and outside GEF	Project-related reviews (implementation reports, terminal evaluations, terminal evaluation reviews, etc.), ROtI studies, project staffs and beneficiaries, national and local government representatives	Desk review, ROtI methodology, GEF portfolio and pipeline analysis
		NGO staffs, project staff and beneficiaries, national and local government representatives	Focus groups and individual interviews

Key question	Indicators/basic data	Sources of information	Methodology
... which last in time and continue after project completion?	Availability of financial and economic resources	Project-related reviews (implementation reports, terminal evaluations, terminal evaluation reviews, etc.), NGO staffs, Project staffs and beneficiaries, national and local government representatives, ROTI studies	Desk review, focus groups and individual interviews, project review protocols, ROTI methodology, GEF portfolio analysis
	Stakeholders' ownership, social factors Existence of a technical know how Environmental risks Existence of an institutional and legal framework	Country legal environmental framework	Literature review, timelines, historical causality, etc.
<b>Is GEF support relevant to...</b>			
... the country's sustainable development agenda and environmental priorities?	GEF support is within the country's sustainable development agenda and environmental priorities	Relevant country level sustainable development and environment policies, strategies and action plans  Project-related documentation (project document and logframe, implementation reports, terminal evaluations, terminal evaluation reviews, etc.), PMIS, Agencies' project databases	Desk review, GEF portfolio analysis by focal area, Agency, modality and project status (national)
	Level of GEF funding compared to other ODA in the environmental sector	Available databases (international as WB, OECD, etc., and national, i.e. dept. of statistics, other)	
	GEF support has country ownership and is country based (i.e., project origin, design and implementation)	Government officials, agencies' staff, donors and civil society representatives  Country Legal Environmental Framework	Stakeholder consultation (focus groups, individual interviews)  Literature review, timelines, historical causality, etc.
... the country's development needs and challenges?	GEF supports development needs (i.e., income generating, capacity building) and reduces challenges	Relevant country level sustainable development and environment policies, strategies and action plans  Project-related documentation (project document and logframe, implementation reports, terminal evaluations, terminal evaluation reviews, etc.), PMIS, Agencies' project databases	Desk review, GEF portfolio analysis by focal area, Agency, modality and project status (national)
	The GEF's various types of modalities, projects and instruments are in coherence with country's needs and challenges	Government officials, agencies' staff, donors and civil society representatives  Country Legal Environmental Framework	Stakeholder consultation (focus groups, individual interviews)  Literature review, timelines, historical causality, etc.
... national GEF focal area action plans?	GEF support linked to the national environmental action plan (NEAP); national communications to UNFCCC; national POPs; National Capacity Self-Assessment (NCSA); adaptation to climate change (NAPA), etc.	GEF-supported enabling activities and products (NCSA, NEAP, NAPA, national communications to UN Conventions, etc.)	Desk review
		Small Grant Programme country strategy Government officials, agencies' staff, donors and civil society representatives	Stakeholder consultation (focus groups, individual interviews)

Key question	Indicators/basic data	Sources of information	Methodology
... the objectives linked to the different global environmental benefits (i.e. biodiversity, GHG, international waters, POPs, land degradation, etc.)?	Project outcomes and impacts are related to the RAF and STAR Global Benefit Index (for biodiversity and climate change and land degradation) and to other global indicators for POPs and international waters  GEF support linked to national commitments to Conventions	National Conventions action plans, RAF, STAR, BD scorecard, etc.	Desk review, project field visits, project review protocols
		Country Legal Environmental Framework	Literature review, timelines, historical causality, etc.
		Project-related documentation (project document and logframe, implementation reports, terminal evaluations, terminal evaluation reviews, etc.), PMIS, Agencies' project databases	GEF portfolio analysis by focal area, Agency, modality and project status (national)
		Government officials, agencies' staff, donors and civil society representatives	Stakeholder consultation (focus groups, individual interviews)
		Global Environmental Benefits Assessment	Literature review
Are the GEF and its Agencies supporting environmental and sustainable development prioritization, country ownership and decision-making process of the country?	GEF Agencies' support to national environment and sustainable development prioritization, country ownership and country decision-making process	GEF Secretariat staff and technical staff from GEF Agencies	Stakeholder consultation (focus groups, individual interviews)
		Government officials, agencies' staff, donors and civil society representatives	
		GEF Instrument, Council decisions, focal area strategies, GEF-4 programming strategy, GEF Agencies' country strategies and plans	Desk review, GEF portfolio analysis by focal area, Agency, modality and project status (national)
		Project-related documentation (project document and logframe, implementation reports, terminal evaluations, terminal evaluation reviews, etc.), PMIS, Agencies' project databases	
<b>Is GEF support efficient?</b>			
How much time, money and effort does it take to develop and implement a project, by type of GEF support modality?	Process indicators: processing timing (according to project cycle steps), preparation and implementation cost by type of modalities, etc.	Project-related documentation (project documents and logframes, implementation reports, terminal evaluations, terminal evaluation reviews, etc.), PMIS, Agencies project databases, RAF pipeline	Desk review, GEF portfolio analysis, timelines
	Projects drop-outs from PDF and cancellations	GEF Secretariat and Agencies' staff and government officials	Interviews, field visits, project review protocols
	GEF vs. cofinancing	National and local government officials, donors, NGOs, beneficiaries	
What are the roles, types of engagement and coordination among various stakeholders in project implementation?	Level of participation	Project-related reviews (implementation reports, terminal evaluations, terminal evaluation reviews, etc.)	Desk review and meta-analysis of evaluation reports, interviews and field visits
	Roles and responsibilities of GEF actors	Project staff, government officials	
	Coordination between GEF projects		
	Existence of a national coordination mechanism for GEF support	GEF Secretariat staff and technical staff from GEF Agencies	Interviews, field visits, institutional analysis



Key question	Indicators/basic data	Sources of information	Methodology
Are there synergies among GEF Agencies in GEF programming and implementation?	Acknowledgement between GEF Agencies of each other's projects	Project-related reviews (implementation reports, terminal evaluations, terminal evaluation reviews, etc.)	Desk review and meta-analysis of evaluation reports, interviews and field visits
	Effective communication and technical support between GEF project agencies and organizations	GEF Agency staff, national executing agencies (NGOs, other)	
Are there synergies between national institutions for GEF support in programming and implementation?	Acknowledgement between institutions of each other's projects	Project-related reviews (implementation reports, terminal evaluations, terminal evaluation reviews, etc.)	Desk review and meta-analysis of evaluation reports, interviews and field visits
	Effective communication and technical support between national institutions	Project staff, national and local government officials	
Are there synergies between GEF support and other donors' support?	Acknowledgement between institutions of each other's projects	Project-related reviews (implementation reports, terminal evaluations, terminal evaluation reviews, etc.)	Desk review, focus groups and individual interviews, and field visits
	Effective communication and technical support between institutions	NGO staffs and donors' representatives	
	Complementarity of GEF support	Evaluations of other donors' funded projects	Meta-analysis of evaluation reports
What role does M&E play in increasing project adaptive management and overall efficiency?	Quality of M&E inputs	Project-related reviews (implementation reports, mid-term evaluations, terminal evaluations, terminal evaluation reviews, etc.)	Desk review
	Quality and level of adaptive management applied to projects and programs	GEF Secretariat and Agencies' staff and government officials	Stakeholder consultations (focus groups and individual interviews)
	Level of independence, quality and timeliness of external evaluations	National and local government officials, donors, NGOs, beneficiaries	Field visits
	Projects and programs compliance with GEF and GEF Agency M&E policies	Evaluations of other donors' funded projects	Meta-analysis of evaluation reports

# Annex B.

## Interviewees

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Joao Mendes-Goncalves, Minister of Economy and Development

Abilio de Jesus Lima, Secretary of State for Environment, Ministry of Economy and Development

Augusto Manuel Pinto, CBD Focal Point, Director of National Directorate of the Environment

Januario da Costa Pereira, Secretary of State for Electricity, Water and Urbanization, Ministry of Infrastructure

Cristiano da Costa, Vice-Minister of Economy and Development

Mario Nunez, UNCCD Focal Point, Senior Forestry Officer, MAF

Mario Mendez, National Director of Protected Areas, Department of Forestry, MAF

Augusto Fernandes, National Director of Fisheries, MAF (Arufura—Timor Sea Project Focal Point)

Lorenzo Fuentes, Department National Director of Fisheries, MAF

Mario Ximenez, GEF Operational Focal Point, Ministry of Economy and Development

Adao Soares-Barbosa, UNFCCC Focal Point, Ministry of Economy and Development

Noura Hamajdi, Deputy Country Director, UNDP Country Office

Mikkiko Tanaka, Country Director, UNDP Country Office

Farhan Sabih, Deputy Country Director, Head of Governance Unit, UNDP Country Office

Emma Mario, Agriculture Head of Environment Unit, UNDP Country Office

Finn Reske-Nielsen, UNMIT Assistant Secretary General

Annie Serrano, Senior Gender Adviser, UNDP Country Office

Katherine Lester, Agriculture Head of the Poverty and Environment Unit, UNDP Country Office

Carsiliano Oliveira, Program Analyst, Poverty and Environment Unit, UNDP Country Office

Livio Xavier, Program Analyst, Poverty and Environment Unit, UNDP Country Office

Merve Hosgelen, Intern, Poverty and Environment Unit, UNDP Country Office

Anna Maria Malinen, UN volunteer, Poverty and Environment Unit, UNDP Country Office

William Baron, Program Manager, Sustainable Energy Mercy Corps

Luis Constantino, Country Director, World Bank

Rui Pinto, ADB Coral Triangle Initiative (former national design consultant and former UNDP staff)

Felix Berto-Pereira, National Forestry NGO Network

Gil Boanido, Haburas NGO

Adalberto de Arajuo, Santalum NGO

Helio da Costa, Santalum NGO

Abel Mibuel, Santalum NGO

Communities in Manatuto and Liquica

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