

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

Timor-Leste: 2017 Committed Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
-	-	0.30	-	0.30

- = nil.

Notes:

Commitment is the financing approved by the ADB Board of Directors or Management for which the investment agreement has been signed by the borrower, recipient, or the investee company and ADB.

Grants and technical assistance include ADB-administered cofinancing.

Timor-Leste: Cumulative Lending, Grant, and Technical Assistance Commitments^{a, b, c}

Sector	No.	Total Amount (\$ million) ^d	% ^d
Agriculture, Natural Resources, and Rural Development	2	0.48	0.12
Education	3	13.50	3.51
Energy	3	1.63	0.42
Finance	5	2.10	0.55
Multisector	4	17.80	4.62
Public Sector Management	18	9.71	2.52
Transport	21	317.01	82.35
Water and Other Urban Infrastructure and Services	8	22.74	5.91
Total	64	384.96	100.00

^a Grants and technical assistance include ADB-administered cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Using primary sector in reporting of commitments.

^d Numbers may not sum precisely because of rounding.

ADB supports Timor-Leste's efforts to promote new sources of growth by improving service delivery and strengthening the business environment, with focus on quality design and the efficient implementation of infrastructure projects.

TIMOR-LESTE

Since achieving independence in 2002, Timor-Leste has made excellent progress in state building. However, while access to essential services (particularly electricity) has improved dramatically, key human development indicators remain among the lowest in Southeast Asia and the Pacific. The country's prospects hinge on prudent and effective use of revenue from off-shore petroleum production to finance investments in the physical capital, human capital, and institutions needed to develop a sustainable non-oil economy.

The Asian Development Bank (ADB) has been supporting Timor-Leste since 1999 and has committed loans and grants totaling \$342.63 million and technical assistance projects totaling \$42.32 million. The active ADB portfolio includes 8 loans totaling \$226.69 million, 4 grants totaling \$50.12 million, and 8 technical assistance projects totaling \$7.82 million.

Cumulative disbursements to Timor-Leste for lending and grants financed by ordinary capital resources, the Asian Development Fund, and other special funds amount to \$153.9 million.

ADB-SUPPORTED PROJECTS AND PROGRAMS

ADB operations in Timor-Leste are guided by the country partnership strategy, 2016–2020. The strategy supports the second phase of the Government of Timor-Leste's Strategic Development Plan 2011–2030 and focuses on removing infrastructure bottlenecks and institutional constraints as well as investing in human capital.

ADB support to Timor-Leste has helped rehabilitate or upgrade 126.3 kilometers of national roads, with a



further 180.1 kilometers of district and national roads to be upgraded by 2021. Once completed, these roads will span the whole of Timor-Leste's north coast, from the border with Indonesia to the eastern tip, and will link the country's north and south coasts.

In water and urban services, ADB has helped upgrade the water supply systems for Manatuto and Pante Makassar, bringing piped clean water to 2,581 households. ADB has also helped improve the water supply for 1,800 households in Dili, and is contributing to longer-term planning to ensure the Sustainable Development Goals for water and sanitation are achieved.

In education, ADB helped upgrade facilities and equipment in all five accredited training centers specializing in construction and automotive trades, and introduce mid-level skills training. ADB supported the development of new curricula and the upgrading of teachers' qualifications and technical skills. About 2,385 students (25% of whom are females) have received accredited construction and automotive skills training, and 25 graduates' groups, comprising 124 youths (10% female), have received support to establish small businesses that will generate employment in the auto industry. ADB is also helping the government develop

its plans and policies for secondary education.

ADB is supporting key legislative reforms in Timor-Leste's finance sector. It was instrumental in transforming the Microfinance Institute of Timor-Leste into the Banco Nacional de Comércio de Timor-Leste. In 2016, with ADB support, Banco Nacional de Comércio de Timor-Leste launched its first 18 ATMs in Dili and other municipal capitals, and adopted Swift codes to enable money transfers to and from other banks, especially for international wire transfers.

ADB has matched its portfolio growth in Timor-Leste with an increase in knowledge work and strengthened coordination with development partners. ADB knowledge support is integrated into investments in transport, urban services, and education. This support is assisting the government with cross-sector challenges relating to infrastructure management, fiscal reforms, and preparations for membership of the Association of Southeast Asian Nations. ADB is also helping the government design and implement programs to diversify Timor-Leste's economy, including reforms to the business environment and development of non-oil industries with strong growth potential, such as coffee and agroforestry.

COFINANCING

Cofinancing operations enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations, to participate in financing ADB projects. The additional funds are provided in the form of official loans and grants, technical assistance, other concessional financing, and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's Trade Finance Program and Supply Chain Finance Program.

From 2007 to the end of 2017, cumulative direct value-added official cofinancing commitments for Timor-Leste amounted to \$98.82 million for three investment projects and \$14.35 million for seven technical assistance projects.

A summary of projects with cofinancing from 1 January 2013 to 31 December 2017 is available at www.adb.org/countries/timor-leste/cofinancing.

PARTNERSHIPS

ADB has been working with the European Union, the Japan International Cooperation Agency, and the World

Timor-Leste: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2009	0.0	1
2011	100.0	1
Total	50.0	2

Note: "Year" refers to the circulation year of the project completion report (PCR). Compared with the numbers in previous years' *Fact Sheet*, the success rate reported here are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and does not include self-evaluations. With small sample size, the success rate does not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2017.

Timor-Leste: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2016–2017

No. of Ongoing Loans ^a (as of 31 Dec 2017)	2016 (\$ million)		2017 (\$ million)	
	2016 (\$ million)	2017 (\$ million)	2016 (\$ million)	2017 (\$ million)
Contract Awards ^{b,c}	44.27	51.98	1.54	0.58
Disbursements ^b	19.47	17.55	6.90	2.64
No. of Ongoing Grants ^a (as of 31 Dec 2017)	2		-	
Contract Awards ^{b,c}	1.54	0.58	6.90	2.64
Disbursements ^{b,d}	6.90	2.64	-	-
Actual Problem Projects (%) (as of 31 Dec 2017)	-			

- = nil.

^a Based on commitments.

^b Includes closed loans/grants that had contract awards or disbursements during the year.

^c Excludes policy-based lending/grants.

^d Includes only Asian Development Fund and other ADB special funds.

Timor-Leste: Projects Cofinanced, 1 January 2013–31 December 2017

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	2	27.12
Grants	2	27.12
Technical Assistance Grants	4	1.53

^a A project with more than one source of cofinancing is counted once.

Timor-Leste: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2016		2017		Cumulative (as of 31 Dec 2017)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	1.47	0.01	0.11	0.00	20.72	0.01
Consulting Services	0.46	0.07	0.62	0.08	7.95	0.07
Total Procurement	1.94	0.02	0.73	0.01	28.67	0.02

Top 5 Contractors/Suppliers from Timor-Leste Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2013–31 December 2017

Contractor/Supplier	Sector	Contract Amount (\$ million)
G&S LDA	EDU	1.58
Don Bosco Training Center	EDU	1.00
Petromor Unipessoal LDA	EDU	0.54
DIT Baucau Training Center	EDU	0.53
Centro Nacional De Emprego e Formação Profissional (CNEFP Tibar)	EDU	0.45
Others		5.41
Total		9.51

EDU = education.

Top 5 Consultants from Timor-Leste Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2013–31 December 2017

Consultant	Sector	Contract Amount (\$ million)
St. Bakhita Centre/Leeuwin Care	WUS	0.05
Deloitte Unipessoal LDA	EDU	0.05
Halarae Foundation	PSM	0.02
CC Business Solutions LDA	WUS	0.01
Tjia and Tchai Associates	EDU	0.003
Individual Consultants		4.05
Total		4.19

EDU = education, PSM = public sector management, WUS = water and other urban infrastructure and services.

Bank to finance the development of Timor-Leste's national road network.

At the government's request, ADB became the lead partner for infrastructure development and steers regular coordination for infrastructure subsectors. ADB also coordinates with development partners working in technical and vocational skills development (as well as other sectors), meeting regularly with nongovernment organizations to share information on knowledge work and project implementation.

ADB consults regularly with the International Finance Corporation and the World Bank, particularly on the country's investment climate and on its legislative framework and capacity for public-private partnerships (PPPs). ADB has also partnered with the United Nations Development Programme and the Australian Aid-financed Market Development Facility to foster private sector development of Timor-Leste's coffee industry.

PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries; and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Share of ADB's Procurement Contracts

Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$11.28 billion in 2016 and \$10.43 billion in 2017. Cumulative procurement since 1966 was \$169.12 billion covering 211,316 contracts.

In Timor-Leste, 189 contracts worth \$20.72 million were awarded to contractors and suppliers since 2002.

Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$627.79 million in 2016 and \$741.84 million in 2017. Cumulative procurement since 1966 was \$12.02 billion covering 55,420 contracts.

In Timor-Leste, 106 contracts worth \$7.95 million were awarded to consultants since 2002.

OPERATIONAL CHALLENGES

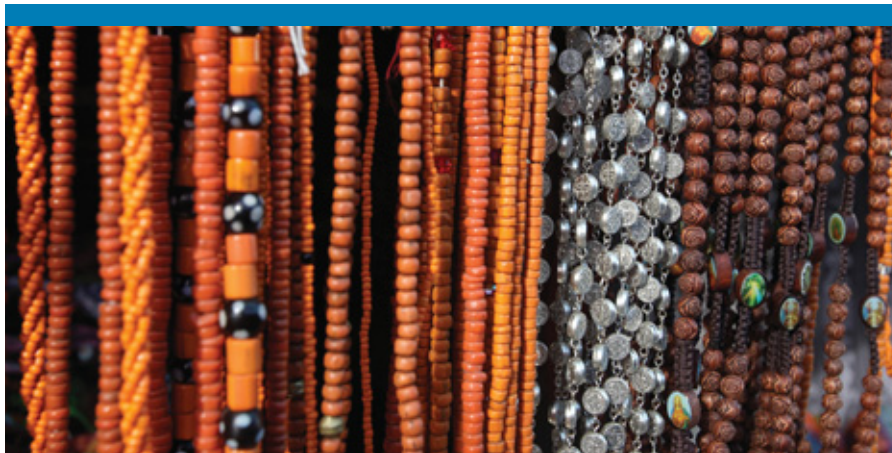
While the government can draw on petroleum revenues to finance transformative investments, its capacity to design and implement large and complex projects is still being developed. ADB is, therefore, helping to plan and implement high-quality investments and complex reforms, strengthen governmental processes for planning and implementing projects, and make full use of national systems for public financial management.

ADB is working closely with the government to ensure that systems are in place for the ongoing operation and maintenance of new infrastructure. To help alleviate capacity constraints and ensure sustainable operations, ADB has also supported the development of a legal and institutional framework for PPPs in Timor-Leste, and is helping the government review PPP options for waste management, water supply, and electricity generation.

FUTURE DIRECTIONS

The ADB program in Timor-Leste will continue to emphasize knowledge, systems, innovation, and technical expertise to accompany traditional financial support. The country partnership strategy, 2016–2020 supports the government's efforts to develop a sustainable non-oil economy by improving service delivery and strengthening the business environment.

The indicative lending pipeline for 2017–2019 includes additional loans for transport infrastructure, urban water supply, electricity supply, and education. The nonlending program will help the government streamline the preparation and implementation of infrastructure investments, broaden ADB support for urban services, promote finance sector development, and grow innovative industries such as coffee and agro-forestry.



ABOUT TIMOR-LESTE AND ADB

ADB Membership

Joined 2002

Shareholding and Voting Power

Number of shares held:	1,050 (0.010% of total shares)
Votes:	40,657 (0.306% of total membership, 0.470% of total regional membership)
Overall capital subscription:	\$14.95 million
Paid-in capital subscription:	\$0.75 million

Shahid Mahmood is the Director and **Paul Dominguez** is the Alternate Director representing Timor-Leste on the ADB Board of Directors.

Paolo Spantigati is the ADB Country Director for Timor-Leste. The Timor-Leste Resident Mission was opened in 2000 and provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The resident mission engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in Timor-Leste.

The Timor-Leste government agency handling ADB affairs is the Ministry of Finance.

ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2017, lending volume was \$18.72 billion (111 projects), with technical assistance at \$200.53 million (246 projects) and grant-financed projects at \$597.49 million (24 projects). In addition, \$11.92 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2013 to 31 December 2017, ADB's annual lending volume averaged \$14.55 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$617.74 million and \$166.28 million over the same period. As of 31 December 2017, the cumulative totals excluding cofinancing were \$255.14 billion in loans for 2,955 projects in 44 countries, \$8.36 billion in 328 grants, and \$4.27 billion in technical assistance grants, including regional technical assistance grants.

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Useful ADB websites

Asian Development Bank
www.adb.org

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

Annual Report
www.adb.org/documents/series/adb-annual-reports

Depository Libraries
www.adb.org/publications/depositories

To access a complete list of development and economic indicators, visit:

Statistics and Databases
www.adb.org/data/statistics