

EDUCATION AND TRAINING

PRIORITIES AND PROPOSED SECTOR INVESTMENT PROGRAM



MINISTRY OF EDUCATION, YOUTH, CULTURE AND
SPORTS

SECRETARIAT OF STATE FOR LABOUR AND SOLIDARITY



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PREFACE

This final version of the Sector Investment Program (SIP) for the Education and Training Sector has been prepared under the direction and guidance of the Ministry of Education, Culture, Youth and Sports and the Secretariat of State for Labour and Solidarity, in close collaboration with the Ministry of Planning and Finance.

The document is part of a larger exercise undertaken by the Government of Timor-Leste. Final versions of the SIPs have been prepared for the following sectors:

A. Basic Service Sectors

- Education and Training
- Health Care

B. Production-related Sectors

- Agriculture, Forestry and Fisheries
- Natural Resources and Environment
- Private Sector Development

C. Basic Infrastructure and Housing Sectors

- Communications
- Power
- Transport
- Water Supply and Sanitation
- Housing and Urban Development

D. Governance-related Sectors

- Public Sector Management
- Local Government and Civil Society
- Rights, Equality and Justice
- Security, Peacebuilding and Reconciliation
- External Relations and Cooperation

Supporting expenditure data and analysis has been provided by the Ministry of Planning and Finance. Unless otherwise specified, these data are drawn from two sources. CFET budget appropriations data has been provided by the Budget Office of the Ministry of Planning and Finance for FY2001/02 onwards. CFET data for FY1999/00 and FY2000/01 are rough estimates based on aggregate data of CFET expenditures included in the National Development Plan. Information about external assistance to Timor-Leste that is included in the reports is obtained from the Registry of External Assistance (REA) database of the Ministry of Planning and Finance. Data for external assistance are as of December 31, 2004. These data have been made available through the generous cooperation of Timor-Leste's Development Partners. Donor data has been supplemented with information provided by individual government agencies that have responsibilities for particular donor-funded projects and programs. The information about these programs includes assistance channeled by donors through international and local NGOs, as well as programs implemented directly by individual donors. Some data provided by donors is provisional and subject to change as work on individual projects and programs progresses.

The data presented in these reports covers capital and recurrent expenditures and therefore aims to present a total picture of development spending in Timor-Leste. However, as the report indicates, information on these two categories is incomplete in a number of areas. Estimates have been made on the basis of the information that is available.

This report reflects policies and programs for this sector as of February 2005.

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ABBREVIATIONS AND ACRONYMS

| | |
|--------|---|
| ADB | Asian Development Bank |
| AusAid | Australian Agency for International Development |
| CFET | Consolidated Fund for East Timor |
| CNRT | Conselho Nacional da Resistencia Timorense (National Council for Timorese Resistance) |
| CoM | Council of Ministers |
| CRC | Convention of the Rights of the Child |
| DIT | Dili Institute of Technology |
| EFA | Education for All |
| EMIS | Educational Management Information System |
| EPF | Education Policy Framework |
| ETTA | Timor Leste Transitional Administration |
| EU | European Union |
| FSQP | Fundamental School Quality Project |
| GDP | Gross Domestic Product |
| GER | Gross enrolment ratio |
| ICE | Institute for Continuing Education |
| ILO | International Labor Organization |
| IoB | Institute of Business |
| JICA | Japan International Cooperation Agency |
| MDGs | Millennium Development Goals |
| MICS | Multiple Indicator Cluster Survey |
| MECYS | Ministry of Education, Culture Youth, and Sport |
| MoPF | Ministry of Planning and Finance |
| MTCPW | Ministry of Transport, Communications and Public Works |
| MTEF | Medium Term Expenditure Framework |
| NDP | National Development Plan |
| NER | Net enrolment ratio |
| PSAS | Primary School Achievement Study |
| PTA | Parent Teacher Association |
| PTR | Pupil Teacher Ratio |
| RDTL | Republica Democrática de Timor Leste |
| SIP | Sector Investment Program |
| STAGE | Skills Training for Gainful Employment |
| STR | Student-to-Teacher Ratio |
| TA | Technical assistance |
| TFET | Trust Fund for East Timor |
| TLSS | Timor Leste Living Standards Measurement Survey |
| TLSSP | Timor Lorosae Student Scholarship Programme |
| TSP | Transition Support Program |
| TVET | Technical and Vocational Education and Training |
| UN | United Nations |
| UNDP | United Nations Development Program |
| UNESCO | United Nations Educational, Scientific and Cultural Organization |
| UNICEF | United Nations International Children Fund |
| UNOPS | United Nations Office of Project Services |
| UNTAET | United Nations Transitional Administration for Timor Leste |
| UNTIL | University Nasional Timor Loro Sae (University of Timor Leste) |
| USAID | United States Agency for International Development |

EXECUTIVE SUMMARY

The immediate challenge after the events of 1999 has been rebuilding the education system and getting children back into school. There has been impressive progress on these two fronts. Following the near collapse of the system in 1999 with the destruction of almost 90 percent of educational infrastructure and facilities and the departure of more than 80 percent of specialized teachers and school administrators, the system is now functioning at a basic operational level. The Government has been able to implement four school years since 2000 at all levels of the educational ladder, and schooling has normalized for more than three-quarters of the 285,000 school-age children in the country.

Having successfully weathered the emergency, the Government has now trained its sights on the longer-term development challenges for education and training. Central to the development strategy of the country is the reduction of poverty that affects at least 40 percent of the population. International experience clearly shows that better education is central to strategies for poverty reduction. Improving the educational status of the people of Timor-Leste is therefore a very high priority for the Government, along with improved health care and employment creation. More than half the current population of around 900,000 is below the age of 18 years. Population is growing at three percent a year or more as a result of very high fertility rates so there will be continued pressure on the education system for a decade or more. At the same time, more than half of the adults in Timor-Leste are illiterate, and despite remarkable progress in the past four years, large numbers of children still do not have access to basic education. Moreover, the quality of much of the education that is available is inadequate.

The goals for formal and informal education in the country have been translated into the following four objectives:

- Achieve universal primary education in line with the mandate of the Constitution, and international covenants that have been signed, particularly the Millennium Development Goals (MDG) for education.
- Develop post-primary education including secondary, technical/vocational and tertiary education and training to prepare citizens to be productive, and to meet the needs of the economy and society.
- Promote adult literacy to meet the basic learning needs of the adult population.
- Ensure that access and participation in education, both formal and non-formal, is equitable and able to reach the disadvantaged and the underserved groups, notably the rural poor and women and girls.

To better prepare for this effort, the Ministry of Education, Culture, Youth and Sports (MECYS) has formulated and adopted an Education Policy Framework (EPF) for the medium term (2004-2008), which lays down a vision and goals, objectives, and priorities in both general and specific areas of education. The EPF identifies the particular directions to be taken for the educational system, based on the principles and goals enunciated in the Constitution, the National Development Plan, the 2003 Road Map, and the various education-related international covenants to which Timor-Leste has committed itself. Taking the EPF as the overall framework, MECYS has formulated the Sector Investment Program (SIP) for the formal education system. The objectives for the medium-term are as follows:

- Establish an appropriate policy, legal and regulatory framework for the education sector.
- Promote universal quality primary education with emphasis on improved equity, access and coverage; improved student achievement and overall quality; and reduced drop-out and repetition.
- Hasten the effective re-introduction of Portuguese and Tetum in schools.

- Rationalize the provision of tertiary education.
- Build the capacity of the Ministry for educational management and service delivery.

The MECYS and Office of the Secretary of State for Labour and Solidarity (SSLS) have jointly prepared a comprehensive strategy for the medium term for national programs of vocational and adult education. The central focus of the overall strategy is the large numbers of adults who are illiterate and the 16,000 new entrants into the labor force each year. The purpose is to equip these groups with education and skills needed for productive employment and roles in society. The medium-term objectives are:

- Lower illiteracy by promoting adult education. Adult education programs are to target specifically the needs of rural residents, marginalized persons, and women, through all means including NGOs.
- Develop school curricula, particularly for technical training, relevant to the conditions and needs of Timor-Leste. Vocational and technical training programs are to target various groups in society including in particular youths, veterans and the disabled.
- Rationalize technical/vocational education and training provision in relation to the varying needs of different areas; and
- Develop relevant programs for the unemployed youth, and for school drop-outs, providing qualifications for entry into the labor market.

The challenge now is to implement the proposed strategies. The SIP exercise has been used to prioritize various interventions and determine the costs of achieving the goals that have been set for the medium-term. In the course of preparing the program, tradeoffs were subject to close examination, including, for example, the balance between expanding access to basic education and improving the quality of education. A National Congress was convened in October 2003 to provide an opportunity for all stakeholders to contribute to the debate on these national priorities and tradeoffs.

The proposed program for the formal education sector calls for total expenditures of \$169 million during the five-year period ending FY2008/09. This compares with the \$167 million spent on the formal education system during the past five years. The highest priority is accorded to primary education which would require outlays of \$75 million and account for 44 percent of spending on formal education. A number of specific programs have been drawn up to improve the quality of primary education and to raise the net enrolment ratio for primary school from 75 percent to 81 percent by 2007. Spending on secondary education would amount to about \$60 million, with a large part of that going to junior secondary education in support of the Government's longer-term goal of providing all children in Timor-Leste with nine years of basic education.

In the case of vocational and adult education, the proposed program calls for expenditures of \$19 million during FY2004/05 through FY2008/09, compared with \$21 million during the past five years. It should be noted that this program refers only to those activities that are under the direct purview of the MECYS and SSLS. It does not include specialized training programs for farmers, foresters and other groups that receive support from various other line ministries. During the five-year period ending FY2003/04, these programs, which are described in other SIPs, amounted to about \$5 million. There are proposals in these other SIPs for a continuation of these programs.

Funding for the proposed formal education program would come from disbursements of almost \$20 million under donor programs that are already ongoing, and CFET allocations of approximately \$84 million. The program calls for additional CFET allocations of \$12 million, leaving a balance of \$54 million of new funding to be raised from donors. With the phase out of TFET, the largest source of support for the formal education sector over the past four years, the

Government is very conscious of the need to encourage other donors to renew their commitment to the sector, given its importance for poverty alleviation. The program for vocational and adult education would be funded by \$7 million from ongoing donor programs and \$5 million from CFET. It would therefore require new commitments of funding in the amount of \$11 million, bringing the total new funding required for the education and training sector to about \$65 million for the five year period in question.

An important purpose of this SIP is to inform donors about these new education and training programs and projects, which the Government has identified as priority, but which are currently unfunded. The list of activities can serve as a starting point for discussion between the Government and donors about areas of interest as well as the appropriate mix between direct support for individual projects and activities and support that can be channeled through the CFET budget in the form of program assistance.

PART A: THE EDUCATION AND TRAINING SECTOR

I. THE SETTING FOR THE SECTOR

Educational Status of the Population

Education in Timor-Leste has evolved through four distinct periods: Portuguese colonial rule until 1975, Indonesian occupation (1975-1999), the United Nations Transitional Administration for Timor-Leste (1999-2002) and since May 2002, the independent Government of Timor-Leste. The Portuguese introduced Western curriculum and language; however, little was done to promote mass public education. At the first independence in 1975, about 90 percent of the population was illiterate. Indonesia expanded public education substantially. Even so, by 1999, Timor-Leste not only was behind the Indonesian enrolment average, but was also far from meeting the national requirement of nine years of compulsory basic education for children between the ages seven and fifteen. There was low efficiency in the system, from both late enrolment and high repetition rates.

After the violence resulting from the independence referendum in 1999, the educational system was in disarray and on the verge of collapse. Almost 90 percent of schools and educational facilities, including practically all furniture and teaching materials, were destroyed or had disappeared. About 20 percent of teachers in primary education and about 80 percent of teachers in post-primary education, mostly non-Timorese, left the country. This included almost all educational administrators and managers who were also non-Timorese. With the help of teachers who were left and a big outpouring of local leaders and volunteers from Timorese civil society, as well as generous support from the international community who undertook emergency rehabilitation of schools, hired new teachers, and provided teaching supplies and materials, the situation quickly stabilized. By October 2000, it was possible to open a regular school year, including re-opening the former private university as a government one.

Table 1: Comparative Indicators for Education

| Indicator | Timor-Leste | | | Indonesia | East Asia & Pacific | Low Income Countries |
|--|-------------|------|------|-----------|---------------------|----------------------|
| | 1999 | 2001 | 2003 | | | |
| School Enrolment | | | | | | |
| Net primary enrolment (% of children of official primary school age) | 51 | 67 | 75 | 99 | 99 | 76 |
| Net secondary enrolment (% of children of official secondary school age) | 27 | 21 | 26 | 43 | 67 | 51 |
| Gross primary enrolment (% of population regardless of age) | 89 | 113 | 117 | 113 | 107 | 91 |
| Gross secondary enrolment (% of population regardless of age) | 34 | 39 | 44 | 48 | 69 | |
| Literacy | | | | | | |
| Youth literacy rate (% of population aged 15-24) | 79 | 77 | | 98 | 97 | 76 |
| Adult literacy (% of population aged 15 years and older) | 48 | 48 | | 87 | 86 | 62 |
| Gender | | | | | | |
| Ratio of girls to boys in primary and secondary schools (%) | 83 | 97 | | 91 | 93 | |
| Ratio of young literate females to males (% of population aged 15-24) | 97 | 96 | | 98 | 97 | |

Source: Government of Timor-Leste & World Bank, *Development Indicators*, 2002.

The response of the population was dramatic. There was a significant increase in enrolment in primary education compared to the level in 1999, largely accounted for by increases in enrolment among girls, and the rural population. The increase was attributed to the temporary suspension of school fees, the introduction of some limited school feeding, and a newly found optimism of the population upon gaining independence. The gross enrolment ratio (GER) in primary education significantly increased from 89 percent before the transition to 113 percent by 2001, and the net enrolment ratio (NER) increased from 51 percent to 67 percent. This was a very significant achievement, given the severe destruction of school facilities and the hardships encountered by the population in recovering from the crisis. By the time of the restoration of Independence in

2002, the educational situation had normalized for most children with educational services having been restored at all levels, including technical-vocational and tertiary education. Moreover, a modest adult literacy and non-formal education program had been launched with the assistance of donors.

Despite these achievements, the level of education in Timor-Leste is low by regional and international standards (Table 1). Based on a survey in 2001, 57 percent of the adult population had little or no education, 23 percent had only some primary education, 18 percent had some secondary education and only 1.4 percent had some post-secondary education. The implication is that more than half of the adult population of the country is unable to read and write. Moreover, the links between the incidence of poverty and education are strong. Close to one in two persons are poor in households where the head of the household has not completed primary school. This compares with less than one in seven where the head has at least senior secondary education.

Implications of Demographic Trends

Based on the provisional data from the 2004 census a revised set of population projections has been prepared for the SIP exercise by the National Statistics Directorate. The census has provided up-to-date and reliable information on the age structure of the population as of mid-2004. The revised projections are based on a population growth rate of 2.9 percent a year for the period 2004-2015 (Table 2).¹

Table 2: Age Structure of the Population Used in SIPs

| Indicator | Population ('000s) | | | | |
|-----------------------|--------------------|-------|---------|---------|---------|
| | 2001 | 2004 | 2007 | 2010 | 2015 |
| 0-2 years | 53.6 | 59.3 | 68.1 | 76.2 | 89.0 |
| 3-5 years | 106.8 | 118.3 | 124.1 | 141.8 | 165.7 |
| 6-11 years | 136.1 | 150.7 | 165.7 | 170.3 | 198.6 |
| 12-14 years | 63.9 | 70.8 | 76.9 | 79.3 | 87.8 |
| 15-17 years | 52.7 | 58.3 | 64.5 | 69.4 | 80.1 |
| 18-25 years | 113.6 | 125.8 | 143.9 | 163.1 | 188.7 |
| 26-64 years | 279.4 | 309.3 | 328.4 | 358.5 | 416.0 |
| 65 and over | 28.9 | 32.0 | 33.5 | 36.8 | 40.9 |
| Total | 835.0 | 924.5 | 1,005.1 | 1,095.4 | 1,266.8 |
| Memo items | | | | | |
| School age children | 252.7 | 279.8 | 307.1 | 319.0 | 366.5 |
| Population 18 + years | 421.9 | 467.1 | 505.8 | 558.4 | 645.6 |

Source: SIP Overview Report, Annex I

The 2004 census indicates that the population stood at 924,462 in mid-2004. The projections used in the SIP put the population at 1.267 million by 2015. The analysis suggests that the population is predominantly young, with 43 percent of the population below the age of 18. With continued rapid population growth, this group continues to account for more than 40 percent of the population

for another decade or more. This has tremendous implications for the demand for education, particularly in meeting the basic learning needs of the future population. Children of basic school age – from 6 to 17 years - constitute 30 percent of the total population. Between 2001 and 2010, the school age population increases by some 66,000 children to almost 320,000. In the following five years, this group increases by another 48,000 children.

These demographic trends also have important implications for vocational and adult education programs that are discussed at greater length in Part C of this paper. The 2001 survey data on illiteracy, in combination with the analysis in Table 2, suggest that about 42,000 people in the 15-25 year age bracket are illiterate (equal to 23 percent of the total in the age group) and 71 percent

¹ These population projections are provisional and may be revised after the analysis of the census data is completed later in 2005. Annex I of the SIP Overview Report provides a detailed discussion of the basis for the population projections used in the SIP exercise.

of people above the age of 25 are illiterate. The incidence of illiteracy is higher among poor people. More adult women than men are illiterate, especially among the older population and in rural areas. The extensive illiteracy, predominantly in rural areas, poses major challenges for programs aimed at poverty reduction and skills development in the labor force. It also underscores the importance of adult education programs.

The other major implication is the prospect of rapid growth in the labor force. Annex I of the SIP Overview Report includes a projection of labor force growth to 2015. The labor force is estimated at about 290,000 in 2004 and is projected to rise to 400,000 or more by 2015, at an annual rate of growth of at least three percent a year. This projection assumes that the labor force participation rate – provisionally estimated at about 59 percent in the census – remains unchanged. If the participation rate rises to 75 percent – the level that prevailed in the 1990s in East Timor, the labor force would exceed 500,000 by 2015. Creating productive employment opportunities for a net increase in the labor force of between 10,000 and 20,000 people a year in the decade ahead will pose very significant challenges.

About three-quarters of the labor force were employed in the agricultural sector in 2001. It is unlikely that agriculture will provide significant additional productive employment opportunities; if anything, the sector will release labor as most of the future output gains in the sector will come from improvements in the productivity of the existing labor force. As the SIP for Public Sector Management makes clear, the public sector is unlikely to be a significant source of new employment opportunities in the medium-term. The Civil Service is close to its mature size of 12,000, and the police and defence services are also close to their approved staffing complements. The Education and Training sector may however provide some new employment opportunities for teachers, given the rapid population growth and the fact that more than 80,000 children still do not have access to basic education. As a result, there will be great pressure on the non-farm private sector to create a large share of the new jobs that will be needed each year over the next decade. These entrants into the labor force must have basic education and skills that equip them for productive employment in the private sector.²

The implications for the Education and Training Sector are clear. First, there must be a concerted effort to ensure that an increasingly large share of children has access to basic education and that they leave the formal education system with at least a basic primary education. Second, there is a compelling case for enlarged programs that teach basic skills to the large numbers of adults who have little or no education. Part B of this report sets out the Government's programs for the formal education sector for FY2004/05 through FY2008/09 and Part C takes up the issue of vocational and non-formal education and skills development for the adult population.

² The role of the private sector in creating productive employment opportunities is discussed in greater detail in the SIP for Private Sector Development.

PART B: THE FORMAL EDUCATION SYSTEM

II. OVERVIEW OF THE CURRENT EDUCATION SYSTEM

Primary and Secondary Education

With extensive help from the donor community, the formal school system, by and large, was rebuilt within about 18 months of the destruction in 1999. By early 2001, about 86 percent of classrooms were rehabilitated and useable. Some 922 schools were in operation, of which 82 percent offered primary education, 11 percent provided junior secondary education, three percent provided senior secondary education, and the rest provided other types of education. As well as widespread destruction of the infrastructure, there was also disruption to the enrolment and schooling of children. Both gross and net enrolment rates fell during this period. However they have now more than recovered for primary schooling.

The profile of the school network in primary and secondary education in Timor-Leste in FY2002/03 is set out in Table 3. At that time there were about 244,000 children in 899 schools. More than five out of six schools are government operated. Most of the remaining schools are operated by the Catholic Church, along with a few private schools, mostly in Dili. One in eight schools and teachers at the primary level is in the Catholic system. Catholic schools make up about a quarter and a third of schools at junior and senior secondary levels respectively. The education network is most widespread at the primary level and schools at this level are on average smaller with fewer teachers. At each step up, the size of the schools and staffing increases.

Table 3: Summary of School Statistics for FY2002/03

| Type of School | Schools | | Students | | Teachers | | Students per School | Students per Teacher | Teachers per School |
|-------------------------|---------|---------|----------|---------|----------|---------|---------------------|----------------------|---------------------|
| | Number | Percent | Number | Percent | Number | Percent | | | |
| Primary | | | | | | | | | |
| Government | 645 | 86.1 | 159,610 | 86.0 | 3,591 | 84.5 | 247 | 44 | 6 |
| Catholic | 104 | 13.9 | 25,984 | 14.0 | 657 | 15.5 | 250 | 40 | 6 |
| Sub-total | 749 | 100.0 | 185,594 | 100.0 | 4,248 | 100.0 | 248 | 44 | 6 |
| Junior secondary | | | | | | | | | |
| Government | 78 | 71.6 | 27,854 | 74.7 | 827 | 74.4 | 357 | 34 | 11 |
| Catholic | 31 | 28.4 | 9,422 | 25.3 | 284 | 25.6 | 304 | 33 | 9 |
| Sub-total | 109 | 100.0 | 37,276 | 100.0 | 1,111 | 100.0 | 342 | 34 | 10 |
| Senior secondary | | | | | | | | | |
| Government | 24 | 58.5 | 14,043 | 67.5 | 422 | 68.3 | 585 | 33 | 18 |
| Catholic | 17 | 41.5 | 6,775 | 32.5 | 196 | 31.7 | 399 | 35 | 12 |
| Sub-total | 41 | 100.0 | 20,818 | 100.0 | 618 | 100.0 | 508 | 34 | 15 |
| Total | | | | | | | | | |
| Government | 747 | 83.1 | 201,507 | 82.7 | 4,840 | 81.0 | 270 | 42 | 6 |
| Catholic | 152 | 16.9 | 42,181 | 17.3 | 1,137 | 19.0 | 278 | 37 | 7 |
| Total | 899 | 100.0 | 243,688 | 100.0 | 5,977 | 100.0 | 271 | 41 | 7 |

Source: Ministry of Education, Youth, Culture and Sports.

The country has now completed four school years since the emergency, with the fifth (current) school year ending in July 2005. There are now about 250,000 students in more than 900 schools at all levels, both public and private, and more than 7,000 teachers. The most impressive accomplishment has been the massive increase in enrolment by the poor, by girls and by rural children, which has narrowed the gaps in school participation rates between the richest and the

poorest quintile, urban and rural areas and boys and girls – 48 percent of students are girls, for example. Many of the children who missed schooling in FY1998/99, enrolled in later years. Gross enrolment rates are now much higher, due in part to the late enrolment of children whose education was disrupted and to the enrolment of children who had not previously participated.

Pre-school education is not compulsory, but is available for children four to five years of age. At present there are 57 preschools enrolling 4,700 children with 139 teachers. Only eight of the schools are public and most are in urban areas. With less than 10 percent of children aged 4-5 year attending pre-school at this stage, there is considerable scope for expansion as demand increases.

The primary education system. Children at age six or seven can enroll in six years of primary education. After the strong growth in enrolments in 2000 and 2001, the numbers in primary school have now stabilized at about 185,000, with large numbers of overage children in the system. The average school size is about 248 students with an average of six teachers per school. Within these overall totals, there are districts with higher and lower growth than the national average, resulting from very significant population movement highlighted by the 2004 census and from poor rural areas where there was low enrollment pre independence. Some districts, such as Dili, have larger school sizes, which give greater flexibility and the opportunity for single teacher classes and some specialization. Teacher numbers have grown strongly, but are also now stabilizing. The primary teacher population of more than 4,000 is the single largest category in the government workforce. Students returned to school in great numbers before all teachers could be recruited, which explains the lag and consequent mismatch in student and teacher growth rates. The average pupil-teacher ratio (PTR) is 44:1, having declined from 47:1 in 2001. The average is slightly lower in Catholic schools.

Table 4: Selected Indicators for Primary Education

| Indicator | 2000/01 | 2001/02 | 2002/03 | 2003/04 |
|----------------------------|---------|---------|---------|---------|
| Enrolments | | | | |
| Total students | 164,729 | 175,000 | 185,594 | 186,700 |
| Students of correct age | 85,710 | 95,605 | 106,150 | 111,975 |
| Overage students | 79,019 | 79,395 | 79,444 | 74,725 |
| Enrolment ratio (%) | | | | |
| Gross enrolment ratio | 123.0 | 126.3 | 129.4 | 125.9 |
| Net enrolment ratio | 64.0 | 69.0 | 74.0 | 75.5 |
| Schools | | | | |
| Number of schools | 719 | 734 | 749 | |
| Students per school | 229 | 238 | 248 | |
| Teachers | | | | |
| Number of teachers | 3,470 | 3,860 | 4,248 | |
| Students per teacher | 47 | 45 | 44 | |
| Teachers per school | 5 | 5 | 6 | |
| Memo item: | | | | |
| No. children 6-11 years | 133,950 | 138,550 | 143,450 | 148,300 |

Source: Ministry of Education, Culture Youth & Sports.

are required to keep these children in school. Second, high repetition and significant drop out levels (20 percent and 10 percent, respectively) mean that less than 50 percent of children reach and complete Grade 6. The high repetition and drop out rates, combined with the late starting age for schooling, lowers the net enrolment ratios. Third, the net enrolment ratio of 75 percent implies that there are some 37,000 children in the 6-11 year age group that are still not in school. The implication is that each year some 7,000 children continue to reach adulthood with no formal education. Fourth, although the student teacher ratio in primary schools has improved, at 44:1 it is

The most pressing needs in primary education are those associated with access and efficiency. Table 4 highlights these concerns. First, overage children in the primary school system, account for almost 40 percent of enrolments. Many parents feel their children are too young at these ages to enroll and wait until they are older. As a result of this practice, high repetition, and the backlog of older children with insufficient primary education, there are about 80,000 overage children in primary schools. Substantial amounts of budgetary resources

still high. Further reductions, in combination with improved teacher training and availability of teaching materials, will contribute to improved quality of primary education.

Junior secondary schools. Post-primary education in Timor-Leste is divided into three years of pre-secondary education and three years of secondary. The policy of the Government is to move towards a system of nine years of basic education for all children. One “Escola Basica” has already been established by the Government to provide both primary and junior secondary education. Additional schools will gradually be added or converted to provide these nine years of basic education.

The number of junior secondary schools in Timor Leste is now 120, of which 31 are operated by the Catholic Church (Table 5). Dili and Baucau account for a third of the schools at this level, with more schools, though fewer students, in Baucau. On average junior secondary schools are larger than primary schools, with half the grades and an average of 13 teachers per school. The typical junior secondary school has a student population of over 330, with two or more streams for each grade in the school. The range is from 255 in Baucau, which has a large number of Catholic junior secondary schools to over 500 in Dili, which has the advantage of population concentration and high demand for such schooling. Larger schools are even more of an advantage in efficiency terms at the secondary level where teachers typically specialize in one or two subjects. If the syllabus is too rigid and the number of subjects too great, then small schools can be quite inefficient with teachers having low weekly hours of teaching.

Table 5: Selected Indicators for Junior Secondary Education

| Indicator | 2000/01 | 2001/02 | 2002/03 | 2003/04 |
|----------------------------|---------|---------|---------|---------|
| Enrolments | | | | |
| Total students | 37,276 | 38,820 | 40,368 | 43,250 |
| Students of correct age | 12,102 | 15,115 | 17,027 | 19,184 |
| Overage students | 25,174 | 23,705 | 23,341 | 24,066 |
| Enrolment ratio (%) | | | | |
| Gross enrolment ratio | 59.3 | 59.7 | 59.9 | 62.1 |
| Net enrolment ratio | 19.2 | 23.2 | 25.3 | 27.5 |
| Schools | | | | |
| Number of schools | 109 | 115 | 120 | |
| Students per school | 342 | 338 | 336 | |
| Teachers | | | | |
| Number of teachers | 1,111 | 1,360 | 1,606 | |
| Students per teacher | 34 | 29 | 25 | |
| Teachers per school | 10 | 12 | 13 | |
| Memo item: | | | | |
| No. children 12-14 years | 62,870 | 65,050 | 67,350 | 69,650 |

Source: Ministry of Education, Culture, Youth & Sports.

number of children in the 12-14 age group will increase by about 8,500. If the net enrollment ratio is to be raised to 40 percent in this period for example, thereby gradually moving towards the long-term target of nine years of basic education for all, some 32,000 children in the 12-14 age group would need to be enrolled. There is sufficient capacity in the existing school system to accommodate this number of students, but only if there is a reduction in the number of overage children.

The number of junior secondary teachers has risen sharply over the past three years to more than 1,600 last year. As a result, the student teacher ratio has declined from 34:1 to 25:1, which is quite favorable by the standards of most developing countries. However, the range is much wider than for primary schools, varying from 20:1 in Viqueque to 49:1 in Ainaro. This mismatch could

More than 40,000 students are now enrolled in junior secondary school. This number will continue to grow strongly in the next few years because junior secondary schools that are still starting or re-starting have only one or two of the three grades operating. However, as with primary education, overage children account for more than half of students in junior secondary schools. Moreover, with a net enrolment ratio at 27 percent, the implication is that some 50,000 children in the 12-14 year age group do not attend junior secondary education. As Table 2 indicates, during the period 2004-2010 the

be due to continued volatility in the numbers as student growth in the sub-sector ranged from minus seven per cent in Manufahi to plus 82 per cent in Aileu.

Senior secondary schools. There are far fewer senior secondary schools - 55 in 2003, 17 of which were Catholic. Nearly half of all the schools and students are found in Dili. The TLSS confirmed the association between poverty and length of education, and Dili appears to have a substantial

Table 6: Selected Indicators for Senior Secondary Education

| Indicator | 2000/01 | 2001/02 | 2002/03 | 2003/04 |
|----------------------------|---------|---------|---------|---------|
| Enrolments | | | | |
| Total students | 20,818 | 20,920 | 21,023 | 21,500 |
| Students of correct age | 8,360 | 9,155 | 9,817 | 10,505 |
| Overage students | 12,458 | 11,765 | 11,206 | 10,995 |
| Enrolment ratio (%) | | | | |
| Gross enrolment ratio | 40.1 | 39.0 | 37.9 | 37.5 |
| Net enrolment ratio | 16.1 | 17.1 | 17.7 | 18.3 |
| Schools | | | | |
| Number of schools | 41 | 48 | 55 | |
| Students per school | 508 | 436 | 382 | |
| Teachers | | | | |
| Number of teachers | 618 | 855 | 1,093 | |
| Students per teacher | 34 | 24 | 19 | |
| Teachers per school | 15 | 18 | 20 | |
| Memo item: | | | | |
| No. children 15-17 years | 51,890 | 53,650 | 55,500 | 57,350 |

Source: Ministry of Education, Culture, Youth & Sports.

proportion of the households who desire and can afford senior secondary education for their children. The average senior secondary school is larger than the average junior secondary school, with about 380 students and 20 teachers per school.

There are about 21,500 students in senior secondary school, about half the number of junior secondary students. The PTR is 19:1 which is very favorable by most developing country standards. Staffing has been particularly difficult at this level as the previous system depended heavily on teachers from Indonesia. Their

withdrawal has not been followed by large-scale recruitment because of the lack of appropriately qualified candidates. However as at other levels there are volunteer teachers in the system. In fact, one in three teachers at senior secondary level is a volunteer. These teachers are not on the Government payroll, but are paid by parental contributions and other funds raised by the school. Some are not well qualified. Continued heavy reliance on these volunteers to meet the demand for senior secondary education poses a number of challenges for the Government's efforts to improve the quality of senior secondary education.

The problem of overage students is also apparent at the senior secondary level. As Table 6 indicates, only half of the students are in the 15-17 year age group, and with a net enrolment ratio of 18 percent, only 10,500 of the 57,000 children aged 15-17 years attend senior secondary schools. The combination of demand for senior secondary schooling, part of which is generated by overage students, and the need to rely heavily on volunteers, some of whom are not well qualified, translates into less than adequate quality of instruction for many of the 15-17 year old children in senior secondary schools.

Costs of Primary and Secondary Education

The costs directly attributable to primary and secondary education amounted to \$130 million in the five year period ending FY2003/04, including \$45 million of capital spending on rehabilitation, new facilities and equipment. Recurrent spending has grown steadily during the period, largely reflecting the increase in the number of students enrolled in primary and secondary schools. Recurrent spending in FY2003/04 is estimated at about \$20 million. Donors have accounted a little more than half of the outlays over the past five years, although the share of funding accounted for by CFET has been rising and is now around 45 percent of total spending on primary and secondary education.

Table 7: Estimated Expenditures on Primary Education
(In US\$)

| Type of expenditure | FY1999/00 | FY2000/01 | FY2001/02 | FY2002/03 | FY2003/04 |
|----------------------------|------------|------------|------------|------------|------------|
| Donor funding | | | | | |
| Reconstruction | 2,108,670 | 6,546,023 | 11,574,391 | 3,555,814 | 5,828,048 |
| Recurrent expenses | 3,643,376 | 8,384,307 | 4,023,908 | 4,271,800 | 4,059,266 |
| Sub-total | 5,752,046 | 14,930,330 | 15,598,299 | 7,827,614 | 9,887,314 |
| CFET funding | | | | | |
| Capital expenditures | 2,125,000 | 2,850,000 | 655,000 | 1,536,000 | 490,000 |
| Recurrent costs | 4,000,000 | 4,250,000 | 6,472,000 | 6,747,000 | 6,864,000 |
| Sub-total | 6,125,000 | 7,100,000 | 7,127,000 | 8,283,000 | 7,354,000 |
| Total expenditures | | | | | |
| Capital | 4,233,670 | 9,396,023 | 12,229,391 | 5,091,814 | 6,318,048 |
| Recurrent | 7,643,376 | 12,634,307 | 10,495,908 | 11,018,800 | 10,923,266 |
| Total | 11,877,046 | 22,030,330 | 22,725,299 | 16,110,614 | 17,241,314 |
| Number of students | | 164,729 | 175,000 | 185,594 | 186,700 |
| Recurrent cost per student | | 77 | 60 | 59 | 59 |

Source: Expenditure data from Annex Tables 1, 2 and 3. Student numbers from Table 4.

Table 7 provides a rough estimate of the recurrent and capital costs for primary education. Over the five-year period ending FY2003/04, capital spending on primary education was about \$36 million. The combined spending by donors and CFET on recurrent costs has been relatively stable over the past four years, and has been stable at about \$60 per student per year over the three years, suggesting that the average cost of six years of primary schooling is currently about \$360 per student. While far from precise, the estimate suggests that the ongoing recurrent cost of education for the approximate 186,000 primary students in primary school up through FY2006/07 is about \$12 million a year. The recurrent cost of the 75,000 overage children currently in primary school is about \$4.5 million a year.

Table 8: Estimated Expenditures on Secondary Education
(In US\$)

| Type of expenditure | FY1999/00 | FY2000/01 | FY2001/02 | FY2002/03 | FY2003/04 |
|----------------------------|-----------|------------|-----------|-----------|------------|
| Donor funding | | | | | |
| Reconstruction | - | 2,185,372 | 3,687,704 | 849,926 | 1,890,083 |
| Language training | - | 5,603,440 | 25,396 | - | - |
| Recurrent costs | - | 238,690 | 2,726,159 | 334,669 | 3,596,295 |
| Sub-total | - | 8,027,502 | 6,439,259 | 1,184,595 | 5,486,378 |
| CFET funding | | | | | |
| Capital expenditures | 875,000 | 750,000 | 33,000 | 224,000 | 207,000 |
| Recurrent costs | 2,500,000 | 2,550,000 | 2,488,000 | 4,520,000 | 4,357,000 |
| Sub-total | 3,375,000 | 3,300,000 | 2,521,000 | 4,744,000 | 4,564,000 |
| Total expenditures | | | | | |
| Capital | 875,000 | 2,935,372 | 3,720,704 | 1,073,926 | 2,097,083 |
| Language training | - | 5,603,440 | 25,396 | - | - |
| Recurrent | 2,500,000 | 2,788,690 | 5,214,159 | 4,854,669 | 7,953,295 |
| Total | 3,375,000 | 11,327,502 | 8,960,259 | 5,928,595 | 10,050,378 |
| Number of students | | 58,094 | 59,740 | 61,391 | 64,750 |
| Recurrent cost per student | | 48 | 87 | 79 | 123 |

Source: Expenditure data from Annex Tables 1, 2 & 3. Student numbers from Tables 5 & 6.

Table 8 provides a rough estimate of the recurrent cost of secondary education. The analysis suggests that the cost per student has averaged around \$95 per year over the past three years. Donors have funded a substantial part (35 percent) of the recurrent costs of secondary education, primarily in the form of materials and other support. The financial burden of overage children is also apparent from the Table. The budgetary cost of the 35,000 overage children currently in the secondary system is about \$3.3 million a year.

Access to Tertiary Education

At the beginning of 2000 things looked bleak in the tertiary education system. The studies of thousands of students in East Timor and in Indonesia were interrupted. Most of the latter were flown back from Indonesia to East Timor in 1999. The University and colleges in East Timor did not resume their operations for a whole year. Many tertiary education students had been called to the districts to help keep some form of education going for the tens of thousands of primary and secondary school children whose schools had been destroyed or closed for lack of teaching staff. Some students had opted to work with/for UNTAET or assist CNRT with the many reconstruction tasks.

Many of the students who had been studying in Indonesia wanted to continue with their studies. In 2000, several hundred of these students requested Caritas Norway, Timor Aid and other NGOs to support their return to Indonesia to pick up their transcripts or graduation certificates, in order to continue their studies at the National University of East Timor (UNTL). About 2,000 others, who were in their final semesters, requested that they be returned to their former institutes of higher learning in Indonesia, enabling them to finish their studies. MECYS requested funds from the international community, including Portugal through the Gulbenkian Foundation and Japan, for 2,000 scholarship applicants, some for over a period of 3-4 years, thereby setting up an effective system for the students' safe return to Indonesia. UNTAET and CNRT supervised and implemented the selection process for the Timor Lorosae Scholarship Programme (TLSSP). Eight donor-funded scholarship programs were established for students returning to Indonesia. Indonesian implementing agencies were sought for each of the eight programs, and a Technical Working Group involving the donors and the agencies was established. A second scholarship program was set up for those 500 students who, for various reasons, had remained in Indonesia.

Since these uncertain beginnings, there has been progress in rebuilding the tertiary education system of Timor-Leste. Tertiary education is now provided at the National University of Timor Leste (UNTL) and a large number of other higher education institutions. The former University of East Timor was re-opened in October 2000 as UNTL, with an enrolment of almost 4,000 students. The original intent was a small publicly funded university with an annual intake of about 600 students, but pressure from graduating senior secondary students has led to higher annual intakes. UNTL now has about 7,000 students. The UNTL faces significant funding problems and difficulties in retaining and compensating competent staff. There is a clear need to upgrade staff qualification and establish proper bibliographic and laboratory facilities. The UNTL library currently has some 30,000 volumes, mainly in English, Bahasa Indonesia and Portuguese, most of which have been donated by well-meaning individuals and institutions, but whose coverage bears little relation to the courses being taught.

One of the main issues confronting the higher education sector is the respective roles of public and private institutions. There are now 18 private institutions of higher learning currently in operation with an enrolment of about 4,000 students. A number of problems have emerged with these institutions that point to the need for significant reform. Some of these institutions provide higher education of appropriate quality. Examples include the Catholic Institute for Primary School Teachers in Baucau, and the Institute of Business (IoB) in Dili. Others have specialized

roles (for example, the Coffee Academy in Ermera, the Agricultural Training College in Natarbora, and the Portuguese-funded Manual Skills Training College in Tibar) that are clearly important for the current training needs of the country. The Dili Institute of Technology (DIT) has 19 qualified staff, seven of which hold PhDs and MAs. The DIT has important support from Australian institutions, including the Victorian University and Shell Foundation in Melbourne, and the Canberra Institute of Technology at the Australian National University. The USAID has also funded a small language laboratory at DIT that will allow a phase out of Bahasa Indonesia. Besides courses in public policy management and business economics, DIT also provides training for managers in the tourism industry, in natural resource management, as well as adult education courses for Falintil Veterans and local government officials. The engineering and science department runs courses in civil construction, mechanical engineering and computer sciences, and there are plans to establish a program in media and communications. Many of the remaining private institutions have few resources. The lack of regulation means that the quality of these institutions is unknown, but it appears that they have little likelihood of establishing proper academic credentials. In response to this situation the Government has begun drafting regulations and statutes regulating standards and cooperation in higher education. These are expected to become law in the year ahead.

The issue of language poses another major challenge for the tertiary education sector. Portuguese is to become the standard of instruction in less than ten years' time when the current cohort of fifth-year primary school students reaches university age. At the present time, most university students use Bahasa Indonesia as the main language and nearly all are still expected to write their theses in that language, even though Indonesian has been dropped from the school and university curriculum since 1999. With no formal teaching in over four years, many university students are now all but illiterate in academic Indonesian, with adverse consequences for reporting on their research programs.

III. GOALS AND OBJECTIVES FOR THE EDUCATION SECTOR

The Vision: Goals and Objectives for Education

The Ministry has adopted the following vision for the sector:

We want to be well educated; and highly productive, democratic and patriotic as the result of our education. We want education for all, particularly for the poor, the disabled, the elderly and women so that we can become literate and skilled to help build our country economically, socially and culturally.

The main goals for the formal education system, as enunciated in the National Development Plan (NDP), are as follows:

- Easier access to education for all, and establish at least one primary school in each suco (village).
- Better quality of teaching and learning.
- Higher school completion and retention rates.
- Develop school curricula, particularly for technical training, relevant to the conditions and needs of East Timor.
- Reintroduce Portuguese and Tetun in schools

The key objectives of education adopted in the NDP are as follows:

- Continued enrolment expansion with a particular priority for basic education, while also providing for post school development of human capital.

- Improving the quality of instruction while dealing with the needs of linguistic diversity and change.
- Improving the management of the sector, from the institutional level to the centre, in view of the serious lack of professional staff capacity, and
- Achieving sustainability of public sector finance while faced with large demands for resources.

Guiding Principles and Policies

With the most pressing needs for reconstruction of the education system largely dealt with and about 250,000 children in school by 2003, the Ministry turned its attention to development of a strategic framework for the sector. During the past year, and after extensive consultations with stakeholders, the Ministry formulated the Education Policy Framework for Timor-Leste. The Framework outlines the basic vision, mission, guiding principles and broad and specific policies and strategic priorities to be pursued, particularly in the medium term. It also outlines the human resources development priorities of the sector, the guiding principles for organization and management and, given the competing demand for services and severely constrained resource picture for the medium term, the framework for financing education in a sustainable manner. The resulting framework is intended to provide directions for sustainable improvements in service delivery and quality, including an effective partnership with key stakeholders. It has been presented to the Council of Ministers for adoption.

Guiding principles for education. The Ministry has adopted the following guiding principles in the formulation and implementation of educational policies, plans and programs:

- Education as a human right, including adherence to the provisions of the Constitution and international covenants and agreements adopted by Timor-Leste such as Child Rights, Millennium Development Goals, and Education For All.
- Child and learner-focus, with emphasis on developing a conducive learning environment, including freedom of the child from violence and threats;
- Equity and accessibility of services, particularly with respect to gender, the poor, rural and ethnic communities and other disadvantaged sectors of society;
- Quality and relevance through a curriculum that promotes learning achievement and the development of a balanced individual with respect to economic, social, cultural, moral, political and spiritual aspects; and promotes a sense of national identity and pride;
- Efficiency and effectiveness, to maximize benefits from limited resources;
- Participation and consultation with key stakeholders, particularly with parents and communities, non-government providers, and civil society groups;
- Transparency and accountability, particularly with respect to the allocation and utilization of resources, and the exercise of authority and decision-making; and
- Sustainability, in view of the high dependence on outside resources and the country's limited resources.

Policy framework for education. The Education Policy Framework provides specific policies and strategies for the various sub-sectors, levels and areas of education. The first key element of the policy framework is that the Ministry will ensure, either through direct provision or through support of other providers such as the Church, quality basic education of international standard to all children legally resident in Timor-Leste, regardless of their economic condition, gender, religion, ethnicity or geographic location. The priorities for basic education are as follows:

- Basic education is defined as the first nine years of schooling, with primary education accorded the highest priority for resource allocation particularly in the medium term. The policy also prescribes the correct starting age of primary education as age six. The policy emphasizes the importance of achieving universal quality primary education, in line with the provisions of the Timor-Leste Constitution, and the country's commitments to international covenants such as the Convention on the Rights of the Child (CRC), and the Millennium Development Goals (MDG). The objective is to ensure that by 2015 children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.
- Pre-secondary education will be accorded the second highest priority for allocation of resources. In line with this policy, public pre-secondary education shall not be free in the medium term, but with targets for more State support in the longer term as finances improve.
- Early childhood education (ECE) is important in promoting child development and reducing eventual drop out and repetition in primary education. Recognizing the State's limited resources, however, ECE shall be promoted as a community-based, privately financed activity with the State providing support for teacher training and development of prototype teaching materials, and the enabling environment for private initiative.

Second, the Ministry will provide the policy framework for post-basic education, including secondary, technical-vocational and tertiary. The Ministry will promote and regulate the provision of post basic education through both government and private institutions, ensuring equity of access for all citizens according to their individual capacity and the development needs of the country. Within this framework, technical and vocational education will be accorded the next highest priority after provision for basic education.

Third, the Ministry will develop the capacity of the education system to achieve effective planning and implementation of its policies and programs. Emphasis will be given to building the capacity of educational institutions and personnel in the areas of planning and service delivery. Key elements in this part of the policy framework include:

- The importance of developing a curriculum that responds to the learning needs of the population, as well as positive values formation and the need for developing national identity, unity and patriotism.
- The urgent need for developing and accelerating the implementation of a fully formulated language policy, based on the official languages.
- Recognizing the special role of teachers in ensuring the quality of education, and providing specific strategies for improved qualification standards, training, career development and welfare.
- Setting minimum standards to be met by all schools, both public and private, and providing for mechanisms for monitoring compliance.

Fourth, the Ministry will mobilize and coordinate inputs from all stakeholders in the sector, in accordance with the priorities set, and report regularly on its progress to all interested parties. In this connection, the important role of non-government educational service providers is recognized, as is the need to provide a regulatory and an appropriate incentive framework for their operations. The importance of parent and community participation in education is also recognized, along with the need for an enabling framework that promotes participation and consultation. The Ministry will work with children, parents and the community to deliver education services within the principles of transparency, participation and democratic processes.

Millennium Development Goals

Timor-Leste has adopted the Millennium Development Goals (MDG) as a basis for pursuing its development objectives outlined in the NDP. The relevant MDGs for education are: (i) achieving universal primary education by 2015; and (ii) achieving gender equality. The targets are set out in Table 9. The Government recognises that Timor-Leste must mount a major effort to achieve a number of the targets associated with the MDGs. The priorities and strategies to improve access and quality that are outlined in the education policy framework are designed to address this problem.

Table 9: Millennium Development Goals and Indicators

| MDG Goals and targets | MDG Indicators (%) | 2003 | 2007 | 2010 | 2015 |
|--|--|-------------|----------|----------|------------|
| Achieve universal primary education Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling | Net enrolment ratio in primary education | 74 | 81 | 86 | 95 |
| | Proportion of pupils starting grade 1 who reach grade 6 | 47 | 63 | 75 | 95 |
| | Literacy rate of 15 to 24 year olds | 84 | 88 | 91 | 95 |
| Promote gender equality and empower women Eliminate gender disparity in primary and secondary education preferably by 2005 and in all levels of education no later than 2015 | Ratio of girls to boys in primary, secondary, and tertiary education | 98* 99** | 98 99 | 99 99 | 100 100 |
| | Ratio of literate females to males among 15 to 24 year olds | 92 | 94 | 98 | 100 |

* Targets for primary education; ** Targets for junior secondary education.

The Government recognizes the importance of addressing the gender dimensions of educational development and has included a number of goals in the MDGs that will promote gender equality (Table 9). The gender imbalance in educational participation in Timor-Leste is modest in primary education, where girls' participation is estimated at about 98 percent. At higher levels in the educational ladder, girls' participation declines more steeply. In adult literacy programs, it has also been observed that the participation rate of females is much less than that of males, despite conscious efforts of program organizers to target more female participants to address the higher illiteracy rates of the former. A number of factors contribute to lower participation rates in schooling among females, most of which are socio-cultural in nature, such as the very traditional and stereotyped view of women and girls' role in the family and the community.

Projections of enrolments for primary, junior secondary and senior secondary school are presented in Table 10. The primary enrolments are based on the MDG targets in Table 9. The Table also includes estimates of the number of children by correct age and the number of over-age students, based on the demographic data presented in Table 2 as well as the resulting gross and net enrolment ratios.

Table 10: Projected Enrolments in Primary and Secondary School

| Indicator | FY2003/04 | FY2004/05 | FY2005/06 | FY2006/07 | FY2007/08 | FY2008/09 |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Primary school | | | | | | |
| Total students | 186,700 | 187,200 | 186,900 | 186,500 | 186,000 | 185,000 |
| Students of correct age | 111,975 | 118,689 | 126,277 | 131,915 | 138,248 | 143,437 |
| Overage students | 74,725 | 68,511 | 60,623 | 54,585 | 47,752 | 41,563 |
| Gross enrolment ratio (%) | 125.9 | 121.4 | 117.7 | 114.5 | 111.7 | 109.6 |
| Net enrolment ratio (%) | 75.5 | 77.0 | 79.5 | 81.0 | 83.0 | 85.0 |
| No. children 6-11 years | 148,300 | 154,142 | 158,839 | 162,858 | 166,564 | 168,749 |
| Junior secondary school | | | | | | |
| Total students | 43,250 | 46,840 | 50,300 | 53,600 | 54,000 | 54,500 |
| Students of correct age | 19,184 | 21,519 | 25,856 | 30,407 | 35,010 | 39,438 |
| Overage students | 24,066 | 25,321 | 24,444 | 23,193 | 18,990 | 15,062 |
| Gross enrolment ratio (%) | 62.1 | 65.3 | 68.1 | 70.5 | 69.4 | 69.1 |
| Net enrolment ratio (%) | 27.5 | 30.0 | 35.0 | 40.0 | 45.0 | 50.0 |
| No. children 12-14 years | 69,650 | 71,729 | 73,874 | 76,017 | 77,801 | 78,876 |
| Senior secondary school | | | | | | |
| Total students | 21,500 | 22,000 | 22,500 | 23,000 | 23,500 | 24,000 |
| Students of correct age | 10,505 | 11,890 | 13,880 | 15,902 | 17,957 | 20,148 |
| Overage students | 10,995 | 10,110 | 8,620 | 7,099 | 5,543 | 3,852 |
| Gross enrolment ratio (%) | 37.5 | 37.0 | 36.5 | 36.2 | 36.0 | 35.7 |
| Net enrolment ratio (%) | 18.3 | 20.0 | 22.5 | 25.0 | 27.5 | 30.0 |
| No. children 15-17 years | 57,350 | 59,452 | 61,687 | 63,606 | 65,297 | 67,161 |
| Memo items | | | | | | |
| Total students | 251,450 | 256,040 | 259,700 | 263,100 | 263,500 | 263,500 |
| Children not in school | | | | | | |
| 6-11 age group | 36,325 | 35,453 | 32,562 | 30,943 | 28,316 | 25,312 |
| 12-14 age group | 50,466 | 50,210 | 48,018 | 45,610 | 42,791 | 39,438 |

Source: MEYCS and Table 2.

IV. ISSUES AND CHALLENGES FOR EDUCATION

Notwithstanding the important gains in provision of formal education services over the past four years, a number of fundamental issues related to the further development of formal education has emerged. These can be conveniently grouped around three broad sets of challenges to be addressed over the medium and longer-term: (i) issues of access, coverage and equity, especially for primary education; (ii) serious problems of student achievement and educational quality due primarily to an outmoded curriculum and a severely under-qualified teacher work force; and (iii) high drop-out and repetition rates in primary and pre-secondary education that are symptomatic of an inefficient education system and that will pose a continuing challenge to achieving a literate work force in the future. Progress in the educational system is also hampered by the severe lack of qualifications and experience, particularly among the middle managers and school headmasters.

Coverage, Access and Equity

A major challenge for the medium term is improving access to education, particularly for children from poor households. Notwithstanding the normalization of schooling for most children of school age, serious problems persist. Even with the dramatic increases in gross and net enrolment ratios during the transition and after independence, access and equity continue to be a problem as 25 percent of primary school-age children are not in school. In pre-secondary education, the net enrolment ratio is only 25 percent, largely caused by a low completion rate in primary education,

and a steep drop in transition from primary to the next stage of the educational ladder. This further drops in secondary education with a net enrolment ratio of only 17 percent, showing a serious problem of limited schooling years of the future workforce, which can have a severe impact on productivity. Even with the proposed significant increases in net enrolment ratios over the next five years as set out in Table 10, there is only a small reduction in the number of children in the 6-11 and 12-14 age group who would not attend school. Table 10 highlights the problem of access. More than 85,000 children in the 6-14 age group are currently not in school and even with the ambitious program proposed for FY2003/04 through FY2008/09, some 65,000 children will still not be in school by the end of the period.

It will take a decade of sustained commitment to education to overcome these problems of access. With an MDG target for net enrolment of 95 percent for 2015, all but 10,000 of the 200,000 children in the 6-11 year age cohort would be in school. Targets have not yet been established for net enrolments ratios in junior and senior secondary school in 2015, but if Timor-Leste was to match the 1999 average net enrolment ratio of lower middle income countries of 51 percent, about 85,000 of the 170,000 children in the 12-17 age cohort would be in school.

Internal Efficiency

Internal efficiency particularly in primary and pre-secondary education is also a serious issue. The drop out rate in each grade in both levels is about 10 percent, while the repetition rate is about 20 percent.³ At such rates, only about 47 percent of children who start Grade 1 are likely to finish Grade 6, and more than half will drop out. On average, the school dropouts will complete only four years of primary school. They risk reverting to illiteracy as they have not stayed in school long enough to acquire basic literacy and numeric skills. Effectively addressing the dropout and repetition problem is therefore a key to providing more access, and freeing more resources to improve educational quality.

The high drop out and repetition rates are very expensive. As noted earlier, the cost of a six-year primary education is currently about \$380 per child, but this cost doubles for every student who completes the cycle due to the large number of children who drop out and repeat. The analysis also highlights the large number of overage children that are expected to remain in the system over the five-year period under review. As Table 10 indicates, there are about 110,000 overage children currently in primary and secondary schools. These numbers are likely to decline steadily in the coming years. Table 10 suggests that by 2008/09, there may be about 60,000 overage children in various levels of school. The budgetary cost of the overage children in primary and secondary schools is currently about \$8.5 million a year. Moreover, overstaying children tend to crowd out other children who would otherwise be accommodated, particularly in overcrowded schools. The Government is very conscious of the need to develop and implement effective policies and strategies for promoting correct age schooling and dealing with the high levels of drop-out and repetition which makes the system grossly inefficient.

³ The TLSS found that between 20-25 percent of children repeated and around 10 percent dropped out each grade in primary education and junior secondary education (Grade 7-9). Senior secondary education has lower dropout and repetition rates: students who move up to that level are more persistent and also tend to come from wealthier families who do not need their labour to support the family. Girls have lower repetition and dropout rates and higher promotion rates across the board. Timor Leste Living Standards Measurement Survey (2001).

As Table 9 indicates, the MDG objective is to ensure that the number of children completing six years of primary schooling rises to 75 percent by 2010 and 95 percent by 2015. The implication is that by 2010, for example, the number of children completing all six years of primary would be about 110,000 compared with about 53,000 at the present time. As the projections in Table 10 imply a high proportion of those graduating from primary would be expected to continue on to junior secondary as the Government presses forward with its goal nine years of basic education for all by 2015.

Quality of Education

In view of its central role in any educational improvement effort, the Government recognizes that improved quality of education is vital in achieving basic literacy for its citizens; equipping the future labor force with the needed knowledge, skills and orientation to be adaptable and productive; and developing good citizenship. A diagnostic study of student achievement in selected primary grades conducted by the Ministry in 2003 revealed very low achievement scores, particularly in Grade 3, with girls generally scoring lower than boys. While the study was limited and could not provide definitive findings on the important factors affecting educational quality, there is no doubt about the importance of quality as a vital issue. These issues must be addressed through curriculum redesign, supply of instructional materials, training of teachers and increased parental and community involvement in schools.

The educational system faces two major transitional challenges in this regard: (i) overhauling the old curriculum at all levels, which is recognized as outmoded and not responsive to the emerging needs of the new nation, but which is still largely the basis for teaching in most schools; and (ii) effectively bridging the transition to the new languages of instruction i.e. Tetum and Portuguese, which are the official languages adopted in the Constitution.

Curriculum review and reform is currently on-going, with assistance from donors such as TFET and UNICEF, while efforts to bridge the language transition has received substantial support from Portugal through the provision of teachers, teacher training and teaching materials. However, this effort is expected to need substantial and sustained resources both in the medium and longer term, as it will involve not only developing relevant and appropriate curriculum standards as a first step but, more importantly, steady investment in the related requirements of teacher re-training and development, textbook and teaching materials development, and regular monitoring and evaluation for continuing improvement. A related major challenge in this effort is capacity-building for local curriculum development institutions and specialists, which needs to be built almost from scratch, and will also need sustained investment in the medium term and long term.

Sustaining Education Finance

In the medium term the Government will continue to give a high priority to education in the allocation of budgetary resources. About 20 percent of the CFET budget from FY2004/05 through FY2008/09 is for education, three-quarters of which is allocated to primary and secondary education. However, it is clear that the \$84 million of CFET appropriations currently allocated for formal education programs for the next five years will not be sufficient to meet expected recurrent and capital expenditures. A range of issues related to the financing of primary and secondary education must therefore be addressed.

The gap would have to be met through some combination of new donor funding, increased emphasis on expenditure management and school fees. Securing funding for the education system, and in particular the primary and secondary school systems poses a major challenge for the Government, given uncertainties about levels of donor support over the medium-term. An

unduly sharp decline in donor support for materials, teacher training and other recurrent expenses could compromise progress towards the earlier mentioned objectives for basic education over the medium and longer term. The sector also needs to ensure equity in the distribution of resources by continuing to prioritize primary education, and ensure funding for quality enhancing measures. To ease the pressure on the CFET budget and free resources, there will have to be increased emphasis on cost-effective expenditure management, including in particular lower drop out and repetition rates. A more aggressive approach to the issue of overage children than implied by Table 10 would allow some combination of reduced donor support for recurrent expenses and increased support for children who are in school.

Legal Framework for Education

At present there is an inadequate legal basis for activities of the various government-controlled institutions, communities and church organizations in the education sector. Additional legislation must be prepared and enacted to ensure effective governance arrangements for the sector. These include the following:

- Basic law on education.
- Organic law for the Ministry of Education, Youth, Culture and Sports.
- Regulation to govern tertiary education institutions.
- Law or charter to provide the legal basis and future development of the National University.
- Regulations to govern the establishment and operation of non-government schools.

Introduction of necessary legislation and regulations will facilitate specification of the respective roles to be played by the government, church, NGOs, local communities and parents in the management of education. The formulation of the basic law on education and the organic law for the Ministry is underway with assistance from TFET, while the other above-mentioned regulations will need to be undertaken with support from CFET and future donor assistance.

Strengthening Planning and Implementation Capacities

The Ministry's capacity to plan and implement programs, projects and activities needs to be strengthened, including in particular, budget execution. Over the past four years, the donor community provided substantial direct support in the form of services and inputs for the education system. While these interventions played a significant role in ensuring the early resumption of the education system, one of the consequences was limited opportunity to build capacities within the Ministry for management and delivery of critical inputs. Moreover, development of information systems for more effective management of services has lagged. Although the district system of administration is in place, much work remains to be done to strengthen administrative capacities of the district offices. Managers from the centre, the districts and the institutions, including schools, must have the opportunity and the responsibility for management and expenditure of the budget.

One of the main constraints restricting educational planning and implementation capacity is the lack of sufficiently trained and experienced educational specialists and managers, particularly at the middle management level. A number of donors have supported a short-term strategy of providing advisers for on-the-job coaching and mentoring of key educational managers in the past three years. These interventions have been very effective in ensuring educational service delivery. However, the limits of these approaches are already apparent and relate to the lack of sufficient basic knowledge and skills of local counterparts. Investment in longer term training and capacity-building for key staff, including graduate and highly specialized training, is needed to sustain the system in the longer term.

V. POLICIES AND PROGRAMS FOR THE MEDIUM TERM

Main Objectives

The Ministry has identified and adopted the following key objectives and program priorities for the five-year period, 2004-2008.

- Establish an appropriate policy, legal and regulatory framework for the education sector;
- Promote universal quality primary education with emphasis on the following: improved equity, access and coverage; improved student achievement and overall quality; and reduced drop-out and repetition;
- Hasten the effective re-introduction of Portuguese and Tetum in schools;
- Rationalize the provision of tertiary education; and
- Build the capacity of the Ministry for educational management and service delivery.

Programs for the Medium-Term

Development of policies and plans, including the legal and regulatory framework, and monitoring and supervision systems. The Government is strengthening its capacity for educational planning and policy development, school supervision, and monitoring of student achievement through a system of periodic examinations. This includes establishing and strengthening an educational management information system (EMIS), reviewing and reforming the current system of school examinations, and establishing an education inspectorate. This also includes putting in place the necessary policy, legal and regulatory framework for the sector, including an education law, an organic law for the MECYS, laws and regulations on tertiary education, and on the establishment and operation of non-government schools.

Improvement of the EMIS is underway through the assistance of UNICEF. TFET is currently supporting assessment of student achievement, curriculum development, and a number of other education policy development initiatives. TFET is also assisting in the development of the basic legal and regulatory framework, specifically the drafting of the basic law on education and the organic law for the Ministry, which are targeted to be completed in 2004.

Additional donor funding in the amount of \$1.1 million is required for strengthening the overall educational planning and policy development process, including continuing work on the policy, legal and regulatory framework. This amount also includes undertaking research and testing strategies and mechanisms for improving educational access, reducing the high drop out and repetition rates, and improving student achievement. This component includes information and advocacy programs to promote educational participation particularly for girls, and capacity building for education specialists to undertake technical work in these vital areas of educational planning and policy development

To promote equity, quality, access and coverage of basic and secondary education, the Ministry proposes the following program over the next three years.

- Build/establish 20 new primary schools in sucos with significant number of children, but without their own primary school.
- Build 15 new pre-secondary schools in sub-districts most in need
- Rehabilitate at least 15 percent of the current primary and pre-secondary school classroom stock

- Identify at least 20 percent of primary schools, which are unable to provide the complete 6 grades, and expand their capacity to a complete standard.
- Promote gender balance in educational participation targeted towards girls.
- Improve water and sanitation in schools.
- Install laboratories and libraries in secondary high schools.
- Build housing for teachers in schools located in remote areas.

Table 11 summarizes the resultant increase in the number of primary and secondary schools. By FY2006/07, there would be 976 schools in the country. Under the proposed program, the average number of students per primary school would decline slightly, whereas the averages for junior and senior secondary schools would rise, consistent with the Government's objective of making more efficient use of specialized teaching skills. The cost of the primary and junior secondary school building and rehabilitation program would be about \$16 million, not including various ongoing school rehabilitation programs (see Annex Table 5).

Table 11: Projected Number of Primary and Secondary Schools

| | FY2003/04 | FY2004/05 | FY2005/06 | FY2006/07 |
|---------------------|-----------|-----------|-----------|-----------|
| No. of schools | | | | |
| Primary | 760 | 767 | 774 | 780 |
| Junior secondary | 125 | 130 | 135 | 140 |
| Senior secondary | 56 | 56 | 56 | 56 |
| Total | 941 | 953 | 965 | 976 |
| Students per school | | | | |
| Primary | 246 | 244 | 241 | 239 |
| Junior secondary | 346 | 360 | 373 | 383 |
| Senior secondary | 384 | 393 | 402 | 411 |

The issue of improved access is also influenced by policy regarding the use of double shifts in schools. Currently, about one-third of schools use some form of double shifting, but there is little consistency on such matters as hours of instruction and provision of teachers. The Government recognizes the need for clear policies on this matter. Increased

use of double shifts can also help improve the efficiency of the school system and lower the overall cost of education per student.

These programs would require recruitment of additional teachers (Table 12). In the case of primary schools an additional 1,500 teachers would be needed to bring the student: teacher ratio down from 40:1 to about 30:1. In the case of junior secondary schools, approximately 450 additional teachers would be needed to maintain the current student teacher ratio at 25:1. A small number of additional teachers would also be required to maintain the current student teacher ratio. To the extent that the additional 2,025 teachers are to be permanent civil servants, there is an obvious issue related to Government policy on the size of the Civil Service. As the draft SIP for Public Sector Management makes clear, there are now 12,062 permanent civil servants, which exceeds the intended mature size of the service of 12,000 personnel.

Table 12: Projected Primary and Secondary School Teachers

| | FY2003/04 | FY2004/05 | FY2005/06 | FY2006/07 |
|----------------------|-----------|-----------|-----------|-----------|
| No. of teachers | | | | |
| Primary | 5,000 | 5,500 | 6,000 | 6,500 |
| Junior secondary | 1,700 | 1,850 | 2,000 | 2,150 |
| Senior secondary | 1,125 | 1,150 | 1,175 | 1,200 |
| Total | 7,825 | 8,500 | 9,175 | 9,850 |
| Students per teacher | | | | |
| Primary | 37 | 34 | 31 | 29 |
| Junior secondary | 25 | 25 | 25 | 25 |
| Senior secondary | 19 | 19 | 19 | 19 |
| Teachers per school | | | | |
| Primary | 7 | 7 | 8 | 8 |
| Junior secondary | 14 | 14 | 15 | 15 |
| Senior secondary | 20 | 21 | 21 | 21 |

To address expected constraints in increasing the size of the teaching force, the Ministry will explore alternative ways of reducing additional teacher requirements, including adopting double shifts in urban schools where the availability of transportation and electricity is not a serious constraint; multi-grade teaching where this is appropriate in order to reach more rural children, and

distance learning techniques. In the longer term, adoption of strategies to reduce the number of over-aged students through correct-age enrolment and reduction of dropout and repetition rates will reduce the number of teacher requirements.

Promotion of gender equality in education. As Table 9 indicates, one of the important MDG objectives is to eliminate gender disparities at the primary and secondary levels as quickly as possible, and certainly no later than 2015. The Ministry will develop and implement more targeted policies and strategies to promote participation of girls in the education system. Foremost among these is an educational and social mobilization campaign to change the view of tradition-bound families and communities on the importance of education in general, and particularly for girls. The strategy will also include review of the curriculum and textbooks to identify and correct gender stereotypes that tend to promote a limited or less important role of women in society, and to make the curriculum more interesting and attractive to girls. To promote more access and participation for girls, the Ministry will also review school location standards to address more effectively the concerns of parents regarding the safety of their daughters when the schools are distant from their homes. Specific measures such as providing adequate water and sanitation in schools, and particularly providing separate toilet facilities for girls, will also be promoted. The Ministry will also review and undertake necessary measures to recruit more women teachers, and promote greater gender balance in positions of educational administration, in view of the currently lopsided male dominance in the teacher and managerial corps.

Improvements in internal efficiency. The internal efficiency of primary and pre-secondary education is to be improved through the identification of factors contributing to dropout and repetition and initiation of remedial measures. The Government intends to pursue a three-pronged strategy over the medium-term.

- Reduce by 20 percent the existing drop out and repetition rates in both primary and pre-secondary education. These measures will improve the net enrolment ratio and reduce the number of overage children in the school system.
- Together with the Ministry of Health, implement a robust school health program, particularly among primary school children to reduce health-related causes of absenteeism and eventual drop out and repetition.
- Initiate and provide a school-feeding program, targeted at 20 percent of the primary school children, focused on schools in the poorest communities.

Step up teacher training to improve student achievement and overall quality. Raising the quality of formal schooling is a high priority for the Government, given its strong influence on the overall quality of education. The quality of teaching is to be enhanced through distribution of teaching materials and guides to all primary schools and adoption of new primary education syllabuses. Many of the 7,825 teachers currently employed, including the volunteer teachers, have had only minimal training and most have no formal teaching qualifications. The immediate priority is to improve the skills and qualifications of existing teachers. Courses have now been designed for both primary (D2) and secondary (D3) levels of qualification, and training programs for the first batch of 1,000 teachers has been launched by the Institute for Continuing Education (ICE). The program is supported by 117 Portuguese trainers and 170 Timorese trainer trainees. The TFET funded study that assesses teacher-training requirements will be completed later in the year and will give further insight into the options and strategies for teacher training. The Government will expand the D2 and D3 programs to reach an additional 1,000 teachers in the next three years, at a cost of about \$3.3 million. The current five-year program is largely funded by Portugal and addresses teacher quality issues for teachers already in the teaching service.

In order to provide for the pre-service teacher requirements of the system, the Ministry proposes to establish a pre-service teacher training program focused at primary education teacher requirements, at an estimated cost of \$1.5 million in the next three years. The Ministry's Institute for Continuing Education (ICE) will manage these programs.

For the longer term, the prevailing view is that all teachers should have a basic university degree. Given the MDGs for 2015, the total number of teachers may eventually stabilize at somewhere around 9,000 to 10,000, which suggests an annual need for 450-500 university trained replacements. A three-year university program for teachers would then imply a total of 1,350-1,500 undergraduates at any one time. The capacity of the tertiary education system for effective training of this number of teachers will need to be evaluated once the most immediate and pressing needs for training the existing cadre of teachers is well underway. This university program would need to be supplemented with an ongoing in-service training program for teachers in the work force.

Reintroduction of Tetum and Portuguese in schools. The general policy on the use of language in schools is clear. Instruction is to be in Portuguese and Tetum. Implementation from Grade One has now progressed to Grade Four. Within the medium term, a new generation of primary school students shall have completed instruction in the official languages (in reality, primarily in Portuguese as Tetum has been determined at this point as still inadequate and requires development to be a language for instruction, particularly in technical subjects such as science and mathematics).

A major challenge to be addressed in the medium term is how to effectively bridge the language transition in pre-secondary school for this cohort of primary school graduates who are no longer proficient in the Indonesian language as it has been dropped as a subject. This challenge is real as the current batch of teachers in pre-secondary schools is still largely proficient only in teaching in the Indonesian language and continue to use textbooks in this language. Since teachers in secondary education are largely subject specialized, they will need effective training for proficiency in teaching in Portuguese in their subject specialization. Otherwise, this could result in undue deterioration on the quality of instruction and student learning. As mentioned, massive teacher training in the Portuguese language is already on-going with assistance from Portugal. However, there will be a need to supplement this effort with the development and provision of appropriate textbooks, teaching guides and other learning materials to hasten the transition to the official languages and to reduce possible adverse effects on student learning achievement. There is also a need in the medium term to plan and provide for similar transition requirements for senior secondary education, to ensure that the transition in 6 to 7 years' time will be effective.

Rationalizing the provision of tertiary education. One of the challenges and concerns identified in the NDP and the EPF is the development of a high quality tertiary education system in Timor-Leste which is responsive to the higher level manpower and professional needs of the economy; meets basic international accreditation standards; provides equitable access to all socio-economic classes based on individual capacity; and provides research and intellectual leadership necessary in a democratic and transparent society.

In the medium term, the investment effort will focus on building the capacity of the Ministry to develop governance structures and mechanisms to ensure that appropriate standards are developed and implemented for the existing 18 private institutions, which currently offer a range of tertiary education services to the public. This effort will include the establishment of a tertiary education council, accreditation system for academic programs and courses, and related regulatory mechanisms. The Government will also continue to support the development

requirements of the National University of East Timor (UNTL), primarily focused on the continuing strengthening of its faculties particularly those that are vital for the development of the economy and the civil service such as polytechnics, education, agriculture and public administration.

Recognizing the tertiary education system's current lack of capacity to provide good quality courses in many fields required for national development, the Ministry will also continue to support a robust program of overseas scholarships, particularly at the graduate level and those requiring high specialization vital for national development. The key features of this program include the following proposals:

- Improvement of the UNTL library (\$500,000),
- Laboratories for improving the teaching of mathematics, chemistry, biology and physics (\$1.0 million);
- Hiring of overseas experts for curriculum review and evaluation/accreditation of all tertiary education institutions (\$600,000);
- Continuing capital development in key UNTL faculties such as engineering in Hera (\$5.9 million); and
- Local scholarships for needy, but qualified students (\$60,000).

Building capacities for education management and service delivery. A range of programs to build the capacities of the educational system will be implemented over the next four years. These include decentralization of budget management to the district level, building the capacity of school headmasters to manage small school funds and block grants for school improvement, and experimenting on the merits of involving communities and parent associations in helping manage schools and monitoring key educational variables such as the availability of teaching materials at school level, regular attendance of teachers, student absenteeism and its causes, and similar important variables in the teaching/learning process. The key features of the program include:

- Delegation to district and school heads of certain authorities related to personnel management such as teacher selection, assignment and discipline; and experimental management of funds which may be best handled at district and school level such as for minor school repairs;
- A pilot grants-to-schools scheme will be implemented through training and distribution of funds to the school committees.
- The Ministry's low budget execution in the first three quarters of FY2003/04 is to be improved through closer monitoring of expenditures in the divisions on a monthly basis and preparation of procurement plans of the Ministry in the first quarter of FY2004/05.

Prioritizing the Program and Intersectoral Linkages

The Government has established a clear set of priorities for the proposed new program for the Education Sector. These priority rankings are set out in Table 13 below. The seven high priority programs that are proposed for start-up in the year ahead would require new commitments by donors in the amount of \$6.9 million. New programs to start in FY2005/06 and FY2006/07 would require further new commitments amounting to \$47.5 million. Early consideration of these programs and donor support would ensure the timely implementation of the proposed program for education and would lay the foundations for a significant improvement in access to education and the performance of the sector. These priority programs are described in some detail in the companion publication entitled "Sector Investment Program: Profiles of Proposed New Projects."

Table 13: Priority Ranking of Proposed New Programs for Education
(In US\$)

| Priority ranking | Start date | Proposed Amount of New Approvals | | | | | Total |
|--|------------|----------------------------------|------------|------------|------------|-----------|------------|
| | | FY2004/05 | FY2005/06 | FY2006/07 | FY2007/08 | FY2008/09 | |
| A. High Priority Programs | | | | | | | |
| Capacity bldg for planning & policy | FY2004/05 | 1,100,000 | | | | | 1,100,000 |
| Curriculum development | | | | | | | |
| Early childhood program | FY2004/05 | 290,000 | | | | | 290,000 |
| Primary school program | FY2004/05 | 500,000 | | | | | 500,000 |
| Curriculum review & accreditation UNTL | FY2004/05 | 600,000 | | | | | 600,000 |
| Scholarships for needy children | FY2004/05 | 60,000 | | | | | 60,000 |
| In-service teacher training | FY2004/05 | 3,278,000 | | | | | 3,278,000 |
| Sports programs | FY2004/05 | 1,050,000 | | | | | 1,050,000 |
| Total amount of new approvals | | 6,878,000 | - | - | | | 6,878,000 |
| Annual disbursements | | 2,180,000 | 2,368,000 | 2,330,000 | - | - | 6,878,000 |
| B. Priorities for the Medium-term | | | | | | | |
| Curriculum development | | | | | | | |
| Junior secondary education | FY2005/06 | | 160,000 | | | | 160,000 |
| Senior secondary education | FY2005/06 | | 270,000 | | | | 270,000 |
| School construction & rehabilitation | | | | | | | |
| Primary school | FY2005/06 | | 5,562,000 | | | | 5,562,000 |
| Junior secondary schools | FY2005/06 | | 10,650,000 | | | | 10,650,000 |
| Senior secondary schools | FY2005/06 | | 2,200,000 | | | | 2,200,000 |
| Teacher housing | FY2005/06 | | 1,000,000 | | | | 1,000,000 |
| Water supply & sanitation in schools | FY2005/06 | | 1,000,000 | | | | 1,000,000 |
| Laboritories & libraries for junior sec | FY2005/06 | | 3,000,000 | | | | 3,000,000 |
| Textbooks & teaching materials | | | | | | | |
| Primary education | FY2005/06 | | 8,504,000 | | | | 8,504,000 |
| Junior secondary education | FY2005/06 | | 4,250,000 | | | | 4,250,000 |
| Senior secondary education | FY2005/06 | | 2,000,000 | | | | 2,000,000 |
| Pre-service teacher training | FY2005/06 | | 1,500,000 | | | | 1,500,000 |
| Laboritories & library for UNTL | FY2005/06 | | 1,500,000 | | | | 1,500,000 |
| Capital improvements for UNTL | FY2005/06 | | | 5,900,000 | | | 5,900,000 |
| Total amount of new approvals | | - | 41,596,000 | 5,900,000 | - | - | 47,496,000 |
| Annual disbursements | | - | 12,784,000 | 19,234,000 | 17,281,000 | 9,865,000 | 59,164,000 |
| C. Total amount of new approvals | | | | | | | |
| Total disbursements | | 6,878,000 | 41,596,000 | 5,900,000 | - | - | 54,374,000 |
| Total disbursements | | 2,180,000 | 15,152,000 | 21,564,000 | 17,281,000 | 9,865,000 | 66,042,000 |

Source: Annex Table 5.

In the design and timing of these various programs, close attention will be given to the linkages between education and other sectors. One example is the need for close coordination between the Education and Public Works agencies to ensure that tendering and construction schedules allow for the provision of water and sanitation services for new schools and those to be rehabilitated. Further, MECYS and the MoH need to collaborate on an effective and coordinated school health, nutrition and sanitation program to achieve objectives in reducing health-related absenteeism and drop out, as well as on key messages such as awareness of HIV/AIDS and lifestyle-related health concerns. In 2001 for example, two-thirds of primary school children reported illness as the reason for absence. For children in junior and senior secondary schools, 78 percent and 82 percent respectively reported illness as the main reason for absenteeism. The large program for text book production and school construction offers important opportunities for sub-contracting services to the local private sector for the supply of printed materials, furniture and equipment and construction services. The Ministry of Education will need to work closely with agencies responsible for private sector development and the private sector itself to ensure that local business can capitalize on these opportunities, consistent of course with requirements for prudent and cost effective procurement.

VI: EXPENDITURE PROGRAMS AND FUNDING

Current Levels of Expenditure

Over the past five years, total spending on the formal education sector has amounted to about \$167 million, with donors accounting for almost 60 percent of the outlays (Table 14). Total spending rose to about \$40 million a year in FY2000/01 and FY2001/02, mainly as a result of substantial outlays by donors on rehabilitation of educational facilities throughout the country and large expenditures on a Portuguese language program; but in the past two years expenditures have been relatively stable at about \$34 million a year. About \$50 million has been spent on rehabilitation of school facilities and equipment. An increasingly important issue for future budget allocations will be the maintenance, replacement and periodic rehabilitation of facilities.

Table 14: Donor and CFET Expenditures on the Formal Education Sector (In US\$)

| Funding source | Annual disbursements | | | | | Total | |
|------------------------|----------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------|
| | FY1999/00 | FY2000/01 | FY2001/02 | FY2002/03 | FY2003/04 | Amount | Percent |
| Donor programs | 7,026,722 | 28,546,066 | 27,402,721 | 16,880,316 | 20,007,911 | 99,863,736 | 59.8 |
| CFET appropriations | 11,100,000 | 12,445,000 | 12,435,000 | 16,355,000 | 14,837,260 | 67,172,260 | 40.2 |
| Total | 18,126,722 | 40,991,066 | 39,837,721 | 33,235,316 | 34,845,171 | 167,035,996 | 100.0 |
| Memo items: | | | | | | | |
| Rehabilitation outlays | 5,297,654 | 13,236,458 | 16,918,498 | 11,287,202 | 8,425,912 | 55,165,724 | 33.0 |
| Language programs | - | 5,603,440 | 25,396 | - | - | 5,628,836 | |
| Recurrent outlays | 12,829,068 | 22,151,168 | 22,893,827 | 21,948,114 | 26,419,259 | 106,241,436 | 63.6 |
| CFET as % of total | 61.2 | 30.4 | 31.2 | 49.2 | 42.6 | 40.2 | |

Source: Annex Table 1.

Table 15 indicates clearly that the highest priority has been accorded to primary education, which accounted for about \$90 million of the spending on the formal education system during FY1999/00 through FY2003/04. Spending on secondary education amounted to about \$40 million or a quarter of the program, while outlays for tertiary education amounted to \$11 million, a large part of which was for rehabilitation of facilities at the UNTL.

Table 15: Allocation of Donor and CFET Expenditures Among Programs, FY1999/00 Through FY2003/04 (In US\$)

| Program category | Funding source | | Total | |
|------------------------------|-------------------|-------------------|--------------------|--------------|
| | CFET | Donors | Amount | Percent |
| Policy, planning, management | 5,572,260 | 5,789,519 | 11,361,779 | 6.8 |
| Early childhood development | 465,000 | 2,055,252 | 2,520,252 | 1.5 |
| Primary education | 35,989,000 | 53,995,603 | 89,984,603 | 53.9 |
| Secondary education | 18,504,000 | 21,137,734 | 39,641,734 | 23.7 |
| Tertiary education | 5,094,000 | 12,736,124 | 17,830,124 | 10.7 |
| Teacher training | 1,356,000 | 595,694 | 1,951,694 | 1.2 |
| Youth, sports & other | 192,000 | 3,553,810 | 3,745,810 | 2.2 |
| Total | 67,172,260 | 99,863,736 | 167,035,996 | 100.0 |

Source: Annex Table 1.

Proposed Expenditure Programs

As the foregoing discussion indicates, past spending concentrated heavily on the rehabilitation of the education system and on reestablishing primary education services throughout the country. For the medium-term, the highest priority will continue to be accorded to primary education in particular and to junior secondary schooling as part of the longer-term objective of providing nine years of basic education to all children. A particular concern for the medium-term is improving

access to basic education for the 87,000 children of 6-14 years of age who continue to be outside the school system, improving the quality of education through teacher training, curriculum development, improved instructional materials and related programs, and improving the internal efficiency of the education system and thereby lowering the unit cost of educational services.

Table 16: Proposed Expenditures for the Formal Education Program (In US\$)

| Program | Annual disbursements | | | | | Total | |
|-------------------------------------|----------------------|------------|------------|------------|------------|-------------|---------|
| | FY2004/05 | FY2005/06 | FY2006/07 | FY2007/08 | FY2008/09 | Amount | Percent |
| Policy, planning, management | | | | | | | |
| Donor programs | 201,698 | - | - | - | - | 201,698 | 0.1 |
| CFET appropriations | 1,451,000 | 1,565,000 | 1,749,000 | 1,831,000 | 1,922,000 | 8,518,000 | 5.0 |
| Proposed new programs | 300,000 | 400,000 | 400,000 | - | - | 1,100,000 | 0.7 |
| Sub-total | 1,952,698 | 1,965,000 | 2,149,000 | 1,831,000 | 1,922,000 | 9,819,698 | 5.8 |
| Early childhood development | | | | | | | |
| Donor programs | 1,388,482 | 926,272 | - | - | - | 2,314,754 | 1.4 |
| CFET appropriations | 146,000 | 156,000 | 161,000 | 162,000 | 165,000 | 790,000 | 0.5 |
| Proposed new programs | 90,000 | 100,000 | 100,000 | - | - | 290,000 | 0.2 |
| Sub-total | 1,624,482 | 1,182,272 | 261,000 | 162,000 | 165,000 | 3,394,754 | 2.0 |
| Primary education | | | | | | | |
| Donor programs | 7,450,284 | 2,437,690 | - | - | - | 9,887,974 | 5.8 |
| CFET appropriations | 7,748,000 | 8,100,000 | 8,527,000 | 8,828,000 | 9,150,000 | 42,353,000 | 25.0 |
| Proposed new programs | 250,000 | 4,521,000 | 7,247,000 | 6,426,000 | 4,335,000 | 22,779,000 | 13.5 |
| Sub-total | 15,448,284 | 15,058,690 | 15,774,000 | 15,254,000 | 13,485,000 | 75,019,974 | 44.4 |
| Secondary education | | | | | | | |
| Donor programs | 4,776,986 | - | - | - | - | 4,776,986 | 2.8 |
| CFET appropriations | 4,753,000 | 5,112,000 | 5,376,000 | 5,556,000 | 5,755,000 | 26,552,000 | 15.7 |
| Proposed new programs | - | 7,563,000 | 9,487,000 | 7,805,000 | 3,630,000 | 28,485,000 | 16.8 |
| Sub-total | 9,529,986 | 12,675,000 | 14,863,000 | 13,361,000 | 9,385,000 | 59,813,986 | 35.4 |
| Tertiary education | | | | | | | |
| Donor programs | 1,853,549 | - | - | - | - | 1,853,549 | 1.1 |
| CFET appropriations | 685,000 | 693,000 | 706,000 | 713,000 | 720,000 | 3,517,000 | 2.1 |
| Proposed new programs | 220,000 | 670,000 | 2,220,000 | 2,550,000 | 1,400,000 | 7,060,000 | 4.2 |
| Sub-total | 2,758,549 | 1,363,000 | 2,926,000 | 3,263,000 | 2,120,000 | 12,430,549 | 7.4 |
| Teacher training | | | | | | | |
| Donor programs | 167,200 | - | - | - | - | 167,200 | 0.1 |
| CFET appropriations | 204,000 | 210,000 | 232,000 | 248,000 | 270,000 | 5,278,000 | 3.1 |
| Proposed new programs | 1,000,000 | 1,578,000 | 1,700,000 | 500,000 | 500,000 | 6,609,200 | 3.9 |
| Sub-total | 1,371,200 | 1,788,000 | 1,932,000 | 748,000 | 770,000 | 6,609,200 | 3.9 |
| Youth, sports & other | | | | | | | |
| Donor programs | 301,399 | - | - | - | - | 301,399 | 0.2 |
| CFET appropriations | 114,000 | 120,000 | 130,000 | 140,000 | 150,000 | 654,000 | 0.4 |
| Proposed new programs | 320,000 | 320,000 | 410,000 | - | - | 1,050,000 | 0.6 |
| Sub-total | 735,399 | 440,000 | 540,000 | 140,000 | 150,000 | 2,005,399 | 1.2 |
| Total | | | | | | | |
| Donor programs | 16,139,598 | 3,363,962 | - | - | - | 19,503,560 | 11.5 |
| CFET appropriations | 15,101,000 | 15,956,000 | 16,881,000 | 17,478,000 | 18,132,000 | 83,548,000 | 49.4 |
| Proposed new programs | 2,180,000 | 15,152,000 | 21,564,000 | 17,281,000 | 9,865,000 | 66,042,000 | 39.1 |
| Grand total | 33,420,598 | 34,471,962 | 38,445,000 | 34,759,000 | 27,997,000 | 169,093,560 | 100.0 |

Source: Annex Table 1.

Table 16 provides a summary of the proposed program for FY2004/05 through FY2008/09. Over the five-year period, total spending on the formal education sector would be about \$170 million, which is slightly larger than in the past five years. Primary education continues to account for the largest share of the spending on education. Over the five-year period, the program calls for outlays of \$75 million, compared with about \$90 million in the previous five years. The higher levels of spending in the past stemmed from the large outlays on rehabilitation of facilities. As Table 17 below indicates, recurrent spending on primary education over the next five years would be about 10 percent than in the past. The primary school program also includes some \$18 million

for rehabilitation of existing schools, construction of new ones and construction of teacher housing and other facilities.

Under the donor-supported Transition Support Program (TSP), the Government has undertaken to ensure that funding for primary education is greater than 45 percent of the core CFET budget for Education.⁴ The average for the past five years was 47.5 percent and for FY2004/05 through FY2008/09 it is 48 percent, fully in line with the undertaking given by the Government. The same commitment is being applied to the combined donor and CFET expenditure program.

A number of other important aspects of the proposed program emerge from Table 16. First, total expenditures on secondary education would amount to \$60 million over the five-year period. The program includes about \$20 million for rehabilitation of existing facilities and construction of 15 new junior secondary schools as outlined earlier in this report. The remaining \$40 million would cover the rising recurrent costs of secondary education that stem from the Government's ambitious program to increase access to secondary education throughout the country. Second, the rehabilitation work on UNTL calls for new capital outlays of about \$6.4 million, which is slightly more than the past five years. Third, spending on early childhood development would rise moderately, while allocations for teacher training would go up sharply along the lines discussed in the previous Chapter. Outlays on planning, policy and management would decline.

Table 17: Capital and Recurrent Spending on Formal Education
(In US\$)

| Program | FY1999/00-FY2003/04 | | | FY2004/05-FY2008/09 | | |
|---------------------------------|---------------------|-------------|-------------|---------------------|-------------|-------------|
| | Capital | Recurrent | Total | Capital | Recurrent | Total |
| Policy, planning & management | | 11,361,779 | 11,361,779 | | 9,819,698 | 9,819,698 |
| Early childhood development | 10,552 | 2,509,700 | 2,520,252 | 38,990 | 3,355,764 | 3,394,754 |
| Primary education | 37,268,946 | 52,715,657 | 89,984,603 | 17,618,607 | 57,401,367 | 75,019,974 |
| Secondary education | 10,702,085 | 28,939,649 | 39,641,734 | 20,801,869 | 39,012,117 | 59,813,986 |
| Tertiary education | 5,676,870 | 12,153,254 | 17,830,124 | 6,400,000 | 6,030,549 | 12,430,549 |
| Teacher training | 196,579 | 1,755,115 | 1,951,694 | 55,176 | 6,554,024 | 6,609,200 |
| Sports & other programs | 1,310,692 | 2,435,118 | 3,745,810 | - | 2,005,399 | 2,005,399 |
| Total | 55,165,724 | 111,870,272 | 167,035,996 | 44,914,642 | 124,178,918 | 169,093,560 |
| Memo item: | | | | | | |
| Primary education as % of total | 67.6 | 47.1 | 53.9 | 39.2 | 46.2 | 44.4 |

Source: Annex Tables 1, 2, 3 and 5.

Note: Recurrent spending total for secondary education includes language training.

Capital and Recurrent Expenditures

As noted in the foregoing discussion, the Government is proposing continued substantial capital spending in the formal education sector during FY2004/05 through FY2008/09. This is driven by the need to increase the number of primary and junior secondary schools to provide access for the large numbers of children who still do not attend school. In addition, there is an ongoing need to continue with the rehabilitation of existing facilities. The details of the proposed capital expenditure program are set out in Table 17, along with a summary of proposed recurrent expenditures.

Capital outlays for the five-year period amount to \$45 million, which is somewhat lower than the past five years when there were heavy expenditures on emergency rehabilitation of education

⁴ This is defined as total Ministry funding, minus funding for Ministerial Offices and the capital development program.

facilities throughout the country. Most of these expenditures would go to primary and junior secondary facilities. Over the ten-year period under review in this SIP, total capital outlays on educational facilities would amount to about \$100 million. This suggests that the replacement cost of facilities may be in the range of \$6-8 million a year on average. In recognition of the need to ensure the significant investments made in the education sector by the Government and development partners are adequately maintained, the Government has increased funding for maintenance to \$841,000 in FY2004/05. Future allocations for maintenance will continue to rise since maintenance requirements can be expected to amount several million dollars a year over the medium-term. However, it is clear that currently planned CFET allocations for capital replacement will have to be raised substantially over the medium-term. As Annex Table 3 indicates, proposed CFET capital spending stands at only \$2.2 million y FY2008/09, well short of what will probably be required over the longer term.

Table 18: Recurrent Costs of Proposed Program for the Formal Education Sector
(In US\$)

| Program | Annual disbursements | | | | | Total/average |
|-----------------------------------|----------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| | FY2004/05 | FY2005/06 | FY2006/07 | FY2007/08 | FY2008/09 | |
| Primary education | | | | | | |
| Number of students | 187,200 | 186,900 | 186,500 | 186,000 | 185,000 | 186,320 |
| Recurrent cost per student (US\$) | 54 | 61 | 63 | 64 | 66 | 62 |
| Total recurrent cost (US\$) | 10,091,677 | 11,358,690 | 11,674,000 | 11,992,000 | 12,285,000 | 57,401,367 |
| Secondary education | | | | | | |
| Number of students | 68,840 | 72,800 | 76,600 | 77,500 | 78,500 | 74,848 |
| Recurrent cost per student (US\$) | 112 | 98 | 101 | 104 | 107 | 104 |
| Total recurrent cost (US\$) | 7,728,117 | 7,123,000 | 7,720,000 | 8,046,000 | 8,395,000 | 39,012,117 |
| Recurrent: other formal education | 8,348,162 | 6,288,272 | 5,808,000 | 3,594,000 | 3,727,000 | 27,765,434 |
| Total | 26,167,956 | 24,769,962 | 25,202,000 | 23,632,000 | 24,407,000 | 124,178,918 |

Source: Annex Tables 1, 5 and 6.

The other issue that emerges relates to the funding requirements for recurrent expenditures, most of which are for the primary and secondary school systems. Table 18 integrates the information from Table 10 with the proposed recurrent expenditures for various components of the education system. Recurrent spending on primary and secondary education rises steadily over the five-year period, driven by growth in enrolments and programs aimed at improving the quality of education. The Table includes the implied average recurrent cost per student in primary and secondary school. These averages are in line with past experience after allowing for some inflation over the next five years. The earlier analysis of unit costs for students in primary and secondary school suggest that some additional allocations of CFET would be required during the next five years to meet the growth in enrolments set out in Table 10, that are in turn linked to achieving the MDGs for 2015. As Table 19 indicates, the additional CFET allocations are estimated at \$12 for the five year period.

Sources of Funding

The education sector in Timor-Leste has benefited from strong support from the donor community over the past five years. As Table 19 indicates, donors have disbursed a total of \$100 million in this period and a further \$20 million will disburse during the next two years from projects and programs that are ongoing. TFET, Portugal, UNICEF, Japan and the European Union have accounted for almost 40 percent of total funding. A number of other donors, including Australia, United States and New Zealand have also provided significant support. CFET allocations to the formal education sector have also accounted for a substantial part of total expenditures. Over the past four years, CFET accounted for 40 percent of outlays and currently accounts for almost 50 percent of annual spending.

Table 19: Sources of Funding for the Formal Education Program
(In US\$)

| Funding source | FY1999/00-FY2003/04 | | FY2004/05-FY2008/09 | | Total | |
|-----------------------|---------------------|---------|---------------------|---------|-------------|---------|
| | Amount | Percent | Amount | Percent | Amount | Percent |
| Donors | | | | | | |
| TFET | 31,523,155 | 18.9 | 268,579 | 0.2 | 31,791,734 | 9.5 |
| Portugal | 25,439,973 | 15.2 | 5,518,621 | 3.3 | 30,958,594 | 9.2 |
| UNICEF | 9,018,971 | 5.4 | 6,727,924 | 4.0 | 15,746,895 | 4.7 |
| Japan | 11,572,129 | 6.9 | 3,930,390 | 2.3 | 15,502,519 | 4.6 |
| European Union | 10,935,262 | 6.5 | - | - | 10,935,262 | 3.3 |
| Australia | 4,585,810 | 2.7 | - | - | 4,585,810 | 1.4 |
| United States | 1,675,593 | 1.0 | - | - | 1,675,593 | 0.5 |
| New Zealand | 894,470 | 0.5 | 640,876 | 0.4 | 1,535,346 | 0.5 |
| Other donors | 4,218,373 | 3 | 2,417,170 | 1.4 | 6,635,543 | 2.0 |
| Sub-total | 99,863,736 | 59.8 | 19,503,560 | 11.5 | 119,367,296 | 35.5 |
| CFET appropriations | 67,172,260 | 40.2 | 83,548,000 | 49.4 | 150,720,260 | 44.8 |
| Total | 167,035,996 | 100.0 | 103,051,560 | 60.9 | 270,087,556 | 80.4 |
| Proposed new programs | | | | | | |
| New CFET allocations | | | 12,168,000 | 7.2 | 12,168,000 | 3.6 |
| New donor programs | | | 53,874,000 | 31.9 | 53,874,000 | 16.0 |
| Sub-total | | | 66,042,000 | 39.1 | 66,042,000 | 19.6 |
| Grand total | 167,035,996 | 100.0 | 169,093,560 | 100.0 | 336,129,556 | 100.0 |

Source Annex Tables 2 and 4.

A little over \$100 million of the proposed program of \$169 million for FY2004/5 through FY2008/09 would be funded by CFET appropriations and donor programs already ongoing. The balance of \$66 million would have to be funded from new programs. Mobilizing the proposed additional \$54 million from donors will pose a challenge for the Government, because TFET, the largest donor, will not be a source of new funding in the future. The Government hopes to attract support from other members of the donor community that have shown a strong interest in the sector in the past, as well as potential new donors. As noted earlier, an additional \$12 million of CFET funding would be required to accommodate growth and quality improvements in the primary and secondary education systems.

PART C. VOCATIONAL, TECHNICAL AND ADULT EDUCATION

This Section of the SIP deals with those aspects of training and education not covered by the formal education system, as well as the vocational and technical training programs that are managed by the Ministry of Education, Youth, Culture and Sports and the Secretary of State for Labor and Solidarity. For the purposes of this document “vocational education and training” (VET) is used as a comprehensive term, designating all educational processes – formal in class learning in the sequential school cycle, internships, trainings – aiming at the transferal of skills, attitudes, understanding and knowledge readily usable by the many economic sectors. The Section does not deal with training programs for the Civil Service. These are discussed in the SIP for Public Sector Management. Nor does the Section address the specialized training needs of the Judiciary and the Police and Defence Services. These are dealt with separately in the SIPs for Rights, Equality and Justice and for Security, Peacebuilding and Reconciliation.

VII. SETTING FOR VOCATIONAL AND ADULT EDUCATION

Status of Adult Education

The low levels of education and literacy among the adult population of Timor-Leste pose one of the greatest challenges for the development of the country. Overall, less than three-fifths of the adult population aged 15 and over claim to be literate. Gender differences are substantial with 65 percent of males, but only 52 percent of females being literate. As Table 20 indicates, there is little variation among the Eastern, Central and Western regions, but literacy is much higher in the lowlands (65 percent) than the highlands (46 percent), and much higher in urban (73 percent) than in rural areas (53 percent), and higher still in major urban areas (80 percent) There is also fairly wide variation in literacy by wealth quintile, ranging from 40 percent among females in the poorest quintile up to 90 percent among males in the richest quintile. Only one in twenty people speak Portuguese and no more than four in five speak Tetun.

Table 20: Adults (Ages 15 and Over) by Level of Completed Education and Location

| Location | Level of Completed Education (Percent) | | | | | Total |
|----------------|--|---------------------|--------------------------|------------------------|--------------------------------|-------|
| | Never Enrolled in School | Some Primary School | Completed Primary School | Lower Secondary School | Upper Secondary School or More | |
| Total | 54 | 14 | 6 | 10 | 15 | 100 |
| Eastern Region | 54 | 16 | 6 | 11 | 13 | 100 |
| Central Region | 51 | 14 | 6 | 11 | 18 | 100 |
| Western Region | 61 | 13 | 8 | 8 | 10 | 100 |
| Highland | 64 | 15 | 4 | 8 | 9 | 100 |
| Lowland | 49 | 14 | 7 | 11 | 17 | 100 |
| Urban | 39 | 15 | 7 | 13 | 27 | 100 |
| Major Urban | 28 | 16 | 8 | 15 | 33 | 100 |
| Rural | 59 | 14 | 6 | 10 | 11 | 100 |

Source: UNICEF, Multiple Indicator Cluster Survey, 2003

Among adults aged 35-44 years (the prime ages in terms of workforce participation), 67 percent of males and 87 percent of females have less than a full primary school education. In rural areas, only 11 percent of all population aged 15 and over have progressed anywhere beyond lower

secondary school and this figure falls slightly below 10 percent in highland areas and the Western region. Plans to raise agricultural productivity and improve maternal and child health must take into account these low levels of literacy and education.

Status of Vocational and Technical Training

Vocational and technical education is provided by the Government at the secondary school level and by a number of private organizations. There are currently seven technical vocational schools operated by the Government and three privately operated secondary schools that provide vocational and technical training. Churches and NGOs operate a range of vocational training programs, but since there are no registration systems in place, the full extent of these programs is not known. The private sector also provides some training, primarily in computer sciences; but again, there is a lack of information about the amount and nature of the training provided. The Office of the Secretary of State for Labor and Solidarity estimates that there are at least 41 other private providers of vocational and technical training (Table 21).

Table 21: Status of Vocational & Technical Education Providers

| Indicator | Senior secondary schools | | Other private providers | Total |
|-----------------|--------------------------|---------|-------------------------|-------|
| | Government | Private | | |
| Institutions | 6 | 3 | 41 | 50 |
| Students | 2,051 | 480 | 3,500 | 6,031 |
| Staff | 154 | 58 | 300 | 512 |
| Courses offered | | | 10 | |

Source: Office of Secretary of State for Labor & Solidarity.

There are approximately 6,000 students enrolled in these government and private programs, the duration of which varies considerably. Two of these programs are supported by intergovernmental bilateral cooperation: the Centro Nacional para Emprego e Formação Profissional em Tibar (National

Centre for Employment and Vocational Training in Tibar) by the Portuguese and the Centro de Desenvolvimento Empresarial, Formação Profissional e Promoção Social – SENAI -, em Becora (centre for entrepreneurial development, vocational training and social support – SENAI -, in Becora). The first is implemented locally through the Secretary of State for Labour and Solidarity, whereas the second by the Ministry of Education, Culture, Youth and Sports. Other prominent specialized training institutes include the Coffee Institute in Ermera and the Agricultural Training College in Natarbora.

Information about the costs of these training programs is scanty, but in the case of the seven Ministry of Education secondary school programs, the current CFET budget allocation is about \$620,000, which implies an average annual cost of \$300 per student. This is substantially higher than the average cost of secondary education programs, especially in view of the fact that this estimate does not include contributions by donors. In the case of the center in Becora supported by Brazil, the annual operating cost is in the range of \$400,000 after including Brazilian advisers. This implies an annual cost of about \$475 per student. The operating cost of the Training Center at Tibar is believed to be about \$600,000 a year, which implies an average cost in excess of \$3,500 per student.

Table 22 provides a summary of spending on vocational education and training and educational programs for youths and adults across all sectors. It includes training programs reported in other draft SIPs, such as farmer training, as well as training programs for finance, tourism and so on. It does not include training programs for civil servants. These are discussed separately in the SIP for Public Sector Management. Over the past five years, donors have disbursed at least \$17 million for vocational and non-formal educational training programs. It is only in the past two years that substantial allocations for these activities have been made from the CFET budget. The above donor allocations may underestimate actual spending by donors, since training programs may be

built into other projects and but not be identified as such in donor reports on their aid activities. Moreover, the Table does not include estimates of the spending on training by private providers. This information is not currently available. Key points that emerge from Table 22 are as follows:

- Spending on vocational education and training has been between \$2-3 million a year over the past four years. There is no information available on the numbers of people trained under these programs. Training for farmers, and for forestry and fisheries activities have accounted for more than 40 percent of total spending on vocational education and training.
- Non-formal education programs for youths and adults, including women have amounted to about \$10 million over the past five years. Almost all the funding has come from donors, but there is no information available on the numbers and types of people who have benefited from these programs; nor are there any readily available evaluations as to the effectiveness and these programs and that can be drawn on for the design of future programs.

Table 22: Vocational Education and Training and Educational Programs for Youth and Adults
(In US\$)

| Program | Annual disbursements | | | | | Total | |
|--|----------------------|-----------|-----------|-----------|-----------|------------|---------|
| | FY1999/00 | FY2000/01 | FY2001/02 | FY2002/03 | FY2003/04 | Amount | Percent |
| Vocational education & training | | | | | | | |
| Donor funded programs | | | | | | | |
| Farmer training | 15,600 | 847,485 | 912,095 | 727,050 | | 2,502,230 | 11.4 |
| Forestry & fisheries | - | 100,000 | 254,188 | 464,000 | | 818,188 | 3.7 |
| Finance | | 11,331 | | 3,584 | | 14,915 | 0.1 |
| Construction & trades | | 89,700 | 3,583 | 42,514 | | 135,797 | 0.6 |
| Tourism | | | 20,683 | 25,662 | | 46,345 | 0.2 |
| Other vocational education | 240,255 | 1,208,077 | 1,479,870 | 610,750 | | 3,538,952 | 16.1 |
| Sub-total | 255,855 | 2,256,593 | 2,670,419 | 1,873,560 | - | 7,056,427 | 32.2 |
| CFET appropriations | | | | | | | |
| MEYCS | - | - | - | 716,000 | 614,000 | 1,330,000 | 6.1 |
| Labor & Solidarity | - | - | - | 220,000 | 185,100 | 405,100 | 1.8 |
| Sub-total | - | - | - | 936,000 | 799,100 | 1,735,100 | 7.9 |
| Total vocational education & training | 255,855 | 2,256,593 | 2,670,419 | 2,809,560 | | 7,992,427 | 36.4 |
| Adult & non-formal education | | | | | | | |
| Donor funded programs | | | | | | | |
| Programs for women | 55,972 | 46,552 | 402,492 | 169,870 | | 674,886 | 3.1 |
| Other adult & non-formal education | - | 2,207,415 | 3,192,559 | 3,878,259 | 2,216,039 | 11,494,272 | 52.4 |
| Sub-total | 55,972 | 2,253,967 | 3,595,051 | 4,048,129 | 2,216,039 | 12,169,158 | 55.5 |
| CFET appropriations | - | 50,000 | 170,000 | 444,000 | 310,000 | 974,000 | 4.4 |
| Total adult & non-formal education | 55,972 | 2,303,967 | 3,765,051 | 4,492,129 | 2,526,039 | 13,143,158 | 59.9 |
| Total training | | | | | | | |
| Donor funded programs | 311,827 | 4,510,560 | 6,265,470 | 5,921,689 | 2,216,039 | 19,225,585 | 87.6 |
| CFET appropriations | - | 50,000 | 170,000 | 1,380,000 | 1,109,100 | 2,709,100 | 12.4 |
| Grand total | 311,827 | 4,560,560 | 6,435,470 | 7,301,689 | 3,325,139 | 21,934,685 | 100.0 |

Source: Annex Table 2 of various draft SIPs and Annex Table 3.

VIII: GOALS AND OBJECTIVES FOR VOCATIONAL AND ADULT EDUCATION

The National Development Plan addresses the issue of skills training noting that it remains grossly inadequate, its curriculum is considered too abstract, and that the qualifications held particularly by unemployed youth are not relevant to the current labor market.

To address these concerns, the main goals for vocational and technical training and adult education as enunciated in the National Development Plan (NDP), include the following:

- Lower illiteracy by promoting adult education. Adult education programs are to target specifically the needs of rural residents, marginalized persons, and women, through all means including NGOs.
- Develop school curricula, particularly for technical training, relevant to the conditions and needs of East Timor. Vocational and technical training programs are to target various groups in society including in particular youths, veterans and the disabled.
- Rationalize educational provision in relation to the varying needs of different areas; and
- Develop programs for the unemployed youth, and for school drop-outs, providing qualifications for entry into the labor market.

A particular concern of the Government that is relevant for the development of vocational and adult education policies and programs is the empowerment of women and improvement in their access to opportunities for economic and political advancement. The MDG targets for 2015 that have been adopted by the Government identify the share of women in wage employment in the non-agriculture sector as one of the performance indicators to be used in monitoring gender equality and empowerment of women. No target is set for 2015, but the Government's report on the MDGs notes that women accounted for 35 percent of employment in the non-agricultural sector in 2001. Given the labor force projections being used in the SIP exercise (see Table 23 below), the number of women employed in the non-farm sector in 2001 is estimated at about 18,300. If the share of jobs in the non-farm sector held by women were to rise to 45 percent by 2015, the total number of women employed in the sector would be about 60,000 at that time, which implies job opportunities for women would have to grow at an average of about 8.5 percent a year between 2001 and 2015, while those for men would grow at about 6 percent a year over the same period. Specific programs targeted for women will be needed if there is to be progress in facilitating productive employment for an additional 40,000 women in the non-farm sector during this period. Current programs supported by donors are typically small and not well coordinated. A systematic approach to program design and targeting will be essential for success.

IX: ISSUES AND CHALLENGES FOR THE MEDIUM-TERM

As Part B of this report indicated, even with the proposed ambitious program for the formal education sector, 8,000 or more young people will reach adulthood each year without having completed at least five years of primary schooling – the minimum that is generally required for functional literacy. Many of these will also enter the labour force. And as noted above, less than three-fifths of the adult population aged 15 or more is literate. The Government faces major challenges in improving the educational status of these adults so that they can become more productive members of society.

Rapid Growth of the Labour Force

Although there is uncertainty about the likely future growth of the labor force in Timor-Leste, there is little doubt that, driven by continued rapid increase in population, the growth will be rapid. Table 23 provides two possible scenarios.⁵ One is that the labor force participation rate remains at the prevailing level of 59 percent that has been provisionally estimated from the 2004 census. In this case net entrants to the labor force are estimated at about 113,000 over the next 11 years – or a little over 10,000 a year. There is also the possibility that the participation rates for both men and women will rise as a result of improved education and migration from rural to urban areas. Scenario B assumes that the average participation rate will rise to 75 percent – a little above the level that prevailed in East Timor in the 1990s, but in line with the experience of other low income developing countries.⁶ In this case, there are 225,000 entrants into the labor force over the next 11 years – equal to about 20,000 a year, or twice the number in Scenario A. The labor force would grow at more than five percent a year in Case B. Even with a GDP growth rate of six percent a year, the annual increase in labor productivity would be very modest, suggesting continued high levels of poverty.

Table 23: Labor Force Growth in Timor-Leste

| Indicator | 2004 | 2010 | 2015 | Growth rate (% p.a.) |
|--|-------|-------|-------|-------------------------|
| Scenario A: Low Labor force Participation Rate | | | | |
| Labor force ('000s) | | | | |
| Male | 171.9 | 206.8 | 240.2 | 3.1 |
| Female | 117.9 | 140.8 | 162.7 | 3.0 |
| Total | 289.8 | 347.6 | 402.9 | 3.1 |
| Participation rate (%) | | | | |
| Male | 69.3 | 69.3 | 69.3 | |
| Female | 48.1 | 48.1 | 48.1 | |
| Average | 58.8 | 58.8 | 58.8 | |
| Scenario B: Rising Labor Force Participation Rate | | | | |
| Labor force ('000s) | | | | |
| Male | 171.9 | 228.2 | 286.0 | 4.7 |
| Female | 117.9 | 172.4 | 229.7 | 5.7 |
| Total | 289.8 | 400.6 | 515.7 | 5.4 |
| Participation rate (%) | | | | |
| Male | 69.3 | 76.5 | 82.5 | |
| Female | 48.1 | 58.9 | 67.9 | |
| Average | 58.8 | 67.8 | 75.3 | |

Source: Annex I of SIP Overview Report

The projected rapid labour force growth has important implications for the further development of vocational and adult education programs in the medium term. For some years to come 5,000 or more of these new entrants into the labor force will have little or no formal education. Many others will have no more than a primary school education. A major challenge therefore is to expand programs that can improve the education and skills of the existing members of the labour force as well as meet the needs of new entrants with diverse levels of formal education. These challenges can be conveniently grouped around four main sets of issues:

- Strengthening policies and programs for vocational education and training.
- Development of an appropriate framework for adult and non-formal education
- Defining the respective roles of government agencies, the private sector and civil society organisation in vocational and adult education.
- Strengthening programs of cooperation with the international donor community, including NGOs.

⁵ Annex I of the SIP Overview Report provides a more detailed discussion of the labor force projections.

⁶ The actual rate recorded by the Indonesian labor force survey in 1998 was 71.9 percent. The *World Development Indicators 2002* reports that the participation rates for males and females in low income countries were 95 percent and 59 percent respectively for 2000.

Vocational Education and Training

Providing an appropriate policy framework for technical, vocational education. There is an increasing need to develop strategies that target technical and vocational training, and skills development in production sectors such as agriculture. There is a clear need for further development of vocational training in senior secondary schools and specialized institutions, both public and private, including the quality and relevance of training offered by private vocational service providers as well as the types of training required in Timor-Leste.

A critical factor for most investors – both domestic and foreign – is the cost of labor. If Timor-Leste is to be competitive in export markets and against imports, the productivity of the labor force will be a key consideration for investors, given that wage rates for unskilled and semi-skilled workers are higher in Timor-Leste than competing countries in South East Asia. There is need for further attention to aspects of labor policy, including wage policies. Aside from national policy on wages, the Government will also need to give close attention to ensuring flexibility in the labor market, to foster national awareness programs that promote productivity and efficiency improvements, and support training programs that are aimed at these objectives. Improved national programs for vocational education and training must be complemented with improved statistical information about conditions in the labor market that in turn can help shape and guide changing priorities for training and education.

Identification of training needs and programs to address specific skill shortages. A key issue is improved information about the skills gaps that vocational education and training programs need to address. The problem can be addressed through improved statistical information about conditions in the labor market, as well as mechanisms for consultation with the domestic and international business communities about training requirements, and with government agencies and donors about forthcoming major public expenditures that provide opportunities for domestic supply of goods and services. There are two important dimensions to the design of appropriate training programs:

- Development of programs that meet the needs of individual entrepreneurs and company owners and managers.
- Training for unskilled, semi-skilled and skilled employees already in the work force, and training for new entrants into the labor force.

In a needs assessment survey of local business carried out in 2001 more than 90 percent of respondents attached importance to improved access to credit, assistance with machinery and equipment and training in production techniques. Almost 60 percent of respondents identified management training and entrepreneurial training as important. Some 15 percent of respondents identified marketing as an area in which assistance was required.⁷ Programs are needed to build leadership and management through an emphasis on self-esteem, confidence, entrepreneurship, and administrative and financial skills. These can be addressed through formal management training and leadership programs.⁸

⁷ Vicente Queipo, "Survey of Small and Medium Industries in East Timor," Division of Industry, Mineral Resources and Tourism, UNTAET (2001). The survey covered 337 business establishments, 46 percent of which were located in Dili and the rest scattered over the remaining 12 districts.

⁸ The SIP for Private Sector Development includes a project that aims to provide training and support for business managers and entrepreneurs. It also proposes expansion of training in business principles and entrepreneurship at the secondary and tertiary school levels.

The SIP for Private Sector Development reviews the opportunities for business development and investment in a number of sectors, including agriculture and rural industries, mining and petroleum, manufacturing, construction and related services such as engineering, tourism. The SIP concludes that there are good opportunities for the further development of the construction industry and related services. More than 100 local companies are now qualified for construction contracts of \$500,000 or more, with a small number qualified for contracts in excess of \$1 million. Large new donor projects such as the \$20 million road improvement project funded by Japan can open up new opportunities for local business and will generate additional demand for training of equipment operators and other skill categories.

In the case of the construction industry in Timor-Leste, a priority for training is project development and management. There is a serious lack of skills in the area of supervision of civil construction and engineering projects. Site supervisors, architects, quantity surveyors and other skilled personnel are largely made up of Indonesians and Filipinos. To the extent that such experience exists within the country, it is mainly confined to nothing larger than building or rebuilding a residence. There are of course exceptions, but these are few. The majority of Timorese in the construction industry are semi-skilled and unskilled laborers. Major changes are needed in vocational education and skill development programs if Timorese are to be trained for these kinds of positions. Existing training programs are not designed to encourage Timorese to develop the skills and aptitudes needed for the design and management of larger programs.

The prospects for the development of services related to the petroleum industry are also good. Apart from the ongoing Timor Sea Project, there are indications that recoverable reserves of onshore and near shore oil and gas may be sufficient for commercial development. There is a clear need to develop a cadre of Timorese who can find skilled employment in the oil industry, initially with the operators of the Timor Sea program, but at a later date, with an onshore industry. There are only four Timorese with training in geology. The need is for people who are qualified to manage the oil industry for the wider benefit of Timor-Leste, and not just focus on specialized geology, mineralogy and hydrocarbon. For the foreseeable future, the country can continue to hire the latter skills in the international market place. Timor-Leste needs nationals who have experience with the oil industry and who can involve themselves at the technical level in negotiations and related matters connected with the Timor Gap program as well as possible onshore development programs.

Another priority is training in support of agribusiness development, including production, processing and marketing of food and commercial crops for the domestic and export markets, as well as sound development of forestry and fisheries resources. At the present time, there is a negligible amount of vocational training in these areas at the secondary school level. Only the Salesian school at Fuiloro has an established curriculum. A curriculum based on technology and commercial applications rather than science would include applied technology, farm and small business management, marketing and finance at the diploma level. The need is to prepare students to use technology to improve agribusiness profitability and sustainability, in on-farm and off-farm production, as well as processing, marketing and accessing micro-finance and other credit programs. There is also a need for increased attention to the veterinary sciences. As the SIP for Agriculture, Forestry and Fisheries points out, there are some 250,000 cattle and buffalo in Timor-Leste and larger numbers of pigs and chickens. With the help of donors, the Government has developed a village-based system of livestock services, but there is a dearth of people in the country with adequate training in veterinary sciences.

The SIP for Public Sector Management reviews requirements for provision of a range of public services including health and education, and concludes that there is likely to be increased

outsourcing by the Government that would be supported by domestic preference and domestic content rules to encourage the development of domestic business and employment. As the foregoing discussion of education programs indicates, the Government is likely to allocate some \$15 million for the provision of text books and other teaching materials and more than \$18 million in school construction and rehabilitation in the coming years. There are likely to be substantial opportunities for domestic supply of some of these materials, including printed materials, equipment and school furniture manufactured from local products. Programs are urgently needed to assess to extent to which domestic suppliers can be developed and the necessary training in business and technical areas that would be essential for the emergence of such an industry.

Domestic training needs for health services also requires urgent attention. There is a serious lack of well-trained health care professionals in the country, especially in the areas of general practice, surgery, intensive care, community and hospital nursing and neo-natal and child health. Some of these specialized skills will continue to be developed by sending people abroad, but in a number of areas, domestic training programs must be developed as soon as possible.

Table 24: Qualifications of Vocational Teachers at Senior Secondary Level

| Vocational training category | No. of qualified teachers |
|---------------------------------------|---------------------------|
| Agriculture & natural resources | 45 |
| Business administration | 56 |
| Public administration | 5 |
| Construction & transport | 59 |
| Engineering & processing | 9 |
| Health care & welfare | 16 |
| Information technology/communications | 20 |
| Tourism & hospitality | 3 |
| Academic subjects | 540 |
| Total | 753 |

Source: Office of Secretary of State for Labor & Solidarity.

Capacities of existing training organizations.

Training organizations need more financial support, training skills, better curricula and equipment. The existing professional training programs and institutions in Timor-Leste are conservative. Generally speaking, there is a lack of practical experience and vocational training among the staff responsible for senior high school and college level training. Nearly 75 percent of the current teaching staff of 740 at the senior secondary level vocational training programs is confined to teaching theory because of a lack of practical experience (Table

24). Less than 10 percent of the 59 teaching staff in Timor-Leste agricultural colleges has had practical hands on experience in agricultural production and marketing. Development of a more effective system of vocational education will require retraining of existing teachers and training additional secondary school teachers to teach vocational subjects. The curricula of many of the programs are in need of review to put more emphasis on practical experience. The current curricula at the Training Center in Tibar and the National Agricultural College in Natarbora are built around theory classes every day, with little time in the field.

Regulation and oversight of the vocational education industry. The third set of issues relates to the need for improved regulation and oversight of the vocational education industry. At the present time there is no agreed nation-wide system for certifying the skills and technical knowledge of prospective employees. Employers in Timor-Leste cannot rely on all vocational certificates currently issued by service providers to guarantee a particular level of operational skill and technical knowledge. A closely linked issue is the need to establish skill standards for particular vocations in close consultation with the business community and with those agencies of government that would expect to make use of private services. There is also need for a national system for registration of organizations that offer vocational education and training programs.

An attempt was made in 2001 to address these concerns when a draft regulation was prepared for the Council of Ministers proposing the establishment of a Vocational Education Advisory Board for East Timor. This draft was later withdrawn to allow for more consultation with existing

vocational education providers. A new round of consultations has been held in the past year and a revised draft law on Vocational Education and Training has now been prepared.

Issues Related to Adult and Non-formal Education

As noted in Part A of this SIP, about 265,000 people 15 years and older are illiterate, and each year there are another 10,000 children who reach adulthood without the benefit of any formal schooling, or who have had only minimal schooling and are functionally illiterate. The Ministry of Education currently operates a program of adult education that reaches about 6,000 adults a year. The CFET budget allocation for adult education in FY2004/05 is \$70,000, which implies an average outlay of about \$10 per person under the existing program. The current size of the program is clearly inadequate. It is not sufficient to cover even the functionally illiterate children who reach adulthood each year, let alone reduce the number of existing adults who are illiterate. A substantial increase in the size of the program is required to have a significant impact on the problem of adult illiteracy.

Apart from the size of the program, a clear-cut strategy for youth and adult education programs remains to be developed. As Table 23 indicates, the bulk of the funding for these activities has come from the donor community over the past four years. At least eight donors have been involved with such programs during the period, most of which have been small, uncoordinated interventions. The assistance has not been guided by any overall policy framework or strategy. While needs have been acknowledged, there has been little in the Ministry of Education, Youth, Culture and Sports in the way of systematic development of policies for the delivery of youth and adult education programs, or for raising the literacy and skill levels of significant sections of the population, including for example subsistence farmers and rural women. There is an increasing need for an appropriate policy framework for non-formal education and for clear strategies that target particular groups among the youth and adult population.

Responsibility for Vocational Training and Adult Education

Within the Government, responsibility for vocational education and training is divided between the Ministry of Education, Culture, Youth and Sports (MECYS) and the Office of the Secretary of State for Labor and Solidarity (OSSLS). Responsibility for non-formal education rests primarily with the Ministry of Education, culture, Youth and Sports. As the foregoing discussion indicates, the private sector and a variety of civil society organizations and donors are also active in these areas. As the importance of these programs grows, there is a need to clarify the respective roles to be played by the Government, the Catholic Church, NGOs and private sector in vocational and technical training and adult education.

Within the Government, there is a need for greater clarity and coordination related to the respective roles of the Office of the Secretary of State for Labor and Solidarity and the Ministry of Education. Three areas in particular require attention: (i) formulation of policies and strategies for training, including curriculum development and teacher training programs specific to individual sectors that would be used by government and private service providers; (ii) the extent to which the Ministry of Education will also operate as a service provider at the secondary school level and beyond or whether to rely increasingly on capable non-government institutions like the Don Bosco Center to provide industry specific vocational education at the secondary level and beyond; and (iii) coordination of Government proposals for donor support and interventions in vocational education programs. To move in this direction, there is a proposal to create the Vocational Education and Training Authority, whose legislation is being currently drafted by

MECYS and OSSLS. The proposed key role of this Authority is the design and coordination of policies, programs and projects in the sector.

The Role of Donors in Service Provision

As Table 23 indicates, over the past four years donors have been spending almost \$2 million a year on vocational education and training programs outside agriculture, forestry and fisheries. Donor spending on non-formal youth and adult education has been running at close to \$3 million a year in the same period. However, the past pattern of uncoordinated donor interventions in vocational and adult education needs to give way to a much more systematic approach that is guided by national policies and priorities. Moreover, there is need for more systematic evaluation of the results of individual donor programs – including successes and failures – that can inform the design of future programs and interventions.

Improved the effectiveness of these programs, will require a reorientation of donor support towards agreed goals and objectives for individual industries such as construction and tourism. This will require coordination among government agencies, donors, existing service providers and industry representatives in each sector. Where relevant, the latter group will need to include representatives of international business as well as the domestic private sector. A move in this direction will require an assessment of the adequacy of existing programs in each individual sector, what needs to be done in curriculum development and teacher training and where appropriate, the need for suitable training equipment and facilities in each of these sectors.

Over the medium and longer term, it would be highly desirable to encourage the emergence of centers of excellence for particular types of vocational education. This would require a commitment on the part of particular training institutions that might then be supported by a particular donor. The donors may not necessarily be the existing bilateral and multilateral Development Partners of Timor-Leste. In the case of training in communications technology for example, Timor Telecomm may partner with a local training institution and support the development of training programs in this area. The existing offshore oil and gas industry might be encouraged to partner with a local institution to develop training. Potential investors in the tourism industry might be approached to do the same thing in this sector. In some cases, it may be desirable to encourage partnerships between official and private donors in a particular sector.

In case of adult literacy programs the Government needs a committed partnership with one or more donors to initiate a nationwide program that is carefully targeted to the needs of particular groups (youths, women, the disabled and so on). In FY2002/03 for example, at least eight donors were active in providing support for non-formal education programs of one kind or another: Australia, Brazil, Denmark, Japan, Portugal, TFET, UNICEF and the United States. It is likely that a number of international NGOs may have also been active in this area using their own resources, but there is no information available on these activities. Individual donor programs are all small, most likely because of very limited capacities among local institutions for service delivery in the area of non-formal education. An important challenge for the medium term is building the capacities of local institutions in the area of non-formal education. It is also likely that there has been only very limited coordination among the donors when it comes to sharing experiences and lessons learned for the design of cost effective programs for the future.

X. POLICIES AND PROGRAMS FOR THE MEDIUM TERM

Over the next five years the Government intends to give a high priority to expanded programs of skills development for new entrants into the labor force, to enhancement of the skills of those already in the labor force, to the development of a national program for literacy among adults and other carefully targeted non-formal education programs for adults. These major programs would be complemented with the introduction of an overseas workers program and a continuing program over overseas fellowship training.

Vocational Education and Training

The Government is taking a two-pronged approach to skills training for people in the labor market and for those planning to enter the market. Programs for on-the-job technical training and apprenticeships are to be promoted in addition to vocational training and skills development programs. These programs would be delivered by a variety of service providers, with Government programs concentrating on vocational and technical training for young people at the senior secondary school level. The proposed program for the medium term has a number of different, but closely related elements.

First is the overall policy framework and strategy. The vocational education system in Timor-Leste must be built on three principles:

- A system to certify the skills of students.
- An authority to establish skill standards in partnership with industry.
- A registration process for organizations offering vocational education and training.

At the present time, none of these requirements exists in Timor-Leste, although preparatory work is well advanced with the preparation of a draft law on Vocational Education and Training. The primary objective is set out in Article 1 of the draft of this new law.

“... to create and organize the provision of relevant, accessible, high quality and efficient vocational education and training in order to develop a well skilled and motivated ... workforce responsive to and in accordance with ... national development goals and priorities.

The new legislation would provide for the creation the National Vocational Education and Training Authority (hereafter referred to as The Authority). It would be responsible for establishing skills standards by encouraging active participation of various stake holders, particularly private enterprises, and other direct participants and immediate beneficiaries of a trained and skilled workforce. The Authority would be responsible for vocational education and training policies and priorities.⁹ In particular it would be responsible for the following:

- Establishment of skills standards in partnership with industry and employers.
- Creation of a system to certify the skills of students and workers.
- Registration of organizations delivering vocational education and training.

The Authority would also be responsible for assessments of the skills required in the formal labor market and broader community. This would be done in partnership with the private sector and would include setting priorities for skills development, developing strategies that would enable employers, employees, trade groups, organizations and the Government, to promote and enhance a broad skills base for the labor force of Timor-Leste.

⁹ The Authority would have five board members, made up of one representative from each of the following bodies: the National Labor Board (who would act as Chairman); the Ministry of Education, Culture, Youth and Sports; an Employers' Organization; a Workers'/Employees' Organization; and a person representing the community of Training Providers.

The proposed program includes several projects aimed at supporting the start-up and effective operation of the proposed Authority. Of particular importance is the proposed support program for The Authority (in the amount of \$245,000). It would establish those operating procedures and management and information systems needed for the effective functioning of The Authority, including skills standards determination and administration, the skills certification system, and the system for registration of organizations delivering vocational education and training. Four other companion programs would support development of other aspects of The Authority's mandate:

- A program that would undertake an assessment of national skills and training requirements.
- A program that would support the development of comprehensive policies and strategies for national vocational education and training.
- A program that would assist selected service providers, in collaboration with The Authority, to develop training curricula that would ensure that program graduates would meet the required Certification standards.
- A program that would support the training or retraining of vocational education teachers at the senior secondary school level.
- A program that would support a national campaign to promote understanding of and support for the proposed new certification program, and encourage people in the labor force to take advantage of the new opportunities created by this program.

Other elements of the proposed program include support for a series of interventions that are designed to provide relevant training on an industry-by-industry basis and the gradual emergence of centers of excellence among the various providers of training services. Support for the development of at least one "center of excellence" among the training community (\$550,000). This program would support curriculum development for a particular industry, training (overseas if necessary) and recruitment of teachers, provision of relevant teaching materials and equipment, and financial support for deserving trainees that are unable to meet the fee requirements of the program. A possible candidate sector might be the construction industry, with an emphasis on project preparation and management, procurement and sub-contracting and so forth.

The final component of the proposed program would support Ministry of Education plans to rationalize the provision of technical and vocational education at the secondary level. This initiative would be closely coordinated with the work of The Authority. The Ministry plans to build two new technical/vocational schools and rehabilitate one existing school as part of its program to upgrade vocational education. Total cost of the program would be \$2 million. The Ministry also plans a re-equipment program for vocational schools in accordance with revitalized curricula, and a curriculum program to promote the introduction of vocational subjects in the pre-secondary and senior secondary streams.

Adult Literacy and Non-formal Education Programs

The Government attaches a high priority to a larger program of adult education, with special emphasis on promoting adult literacy and providing non-formal education that is targeted for young mothers and illiterate youth. As noted earlier, the existing Government program reaches 6,000 people annually, which is not sufficient to keep pace with the 10,000 young people who continue to reach adulthood each year who are functionally illiterate. The Ministry of Education therefore proposes to expand the program to reach at least 15,000 adults per year by FY2005/06. Table 25 therefore includes a proposed new program of \$1.5 million to fund this initiative over the next three years.

To improve the effectiveness of the adult education and national literacy program, the Government is proposing additional initiatives. There is an urgent need to review and revise the policy framework and associated strategy for provision of literacy and adult education programs.. The Government wishes to draw on experience of other developing countries in adult education and literacy programs and evaluate the experience to date in Timor-Leste with CFET and donor funded programs. With an agreed policy framework in place and clearly identified target groups for these programs, the Government would then look to the donor community to support the national program rather than continue with the fragmented and piecemeal approach of the past.

The Overseas Fellowship Program

The policy of the Government is to give a high priority to building domestic institutional capacities for training people. The bulk of the proposed new spending on vocational training and adult education is therefore directed towards achieving this objective. In those cases where highly specialized skills are required intermittently and for short periods of time, it is likely that they will continue to be recruited in the international market place. However, it is also clear that for some time to come, participation in overseas training programs will be a much more cost effective way of ensuring that certain specialized skills essential to the economy are acquired by Timorese nationals.

As Annex Table 1 indicates, the donor community has provided about \$7.5 million for overseas fellowships over the past five years. This figure includes the \$1.4 million provided by Japan for Timorese students to return to Indonesian institutions in 2000 to complete their studies there. Net of this special program, expenditures on the overseas fellowship program has averaged about \$1.5 million a year. There is little in the way of ongoing overseas fellowship program funds that can be used to send additional students abroad over the next four years. The Government is therefore proposing a renewal of donor support for high priority overseas training in the amount of \$1 million a year starting in FY2005/06. This program is in line with past experience and will help address key skills shortages that cannot reasonably be met by local institutions at least in the medium term. As part of the program design, the Government will review procedures for deciding on the priority areas to be supported under this proposed program. The objective will be to find suitable Timorese candidates for training in agreed high priority skill areas.

The Overseas Workers Program

The Government intends to launch the first phase of a program to send workers abroad in FY2004/05. The first contingent of 1,000 workers would be sent to Malaysia to work in the construction and agricultural estate sectors. Depending on the experience with this first phase, an additional 1,000 workers would be sent abroad in each of the following years. By end FY2006/07, there would be a total of 3,000 workers in overseas markets. This program would have significant benefits for Timor-Leste. It would provide productive employment for a substantial number of semi-skilled workers and thereby take some pressures off the domestic labor market. Second, experience has already shown that once Timorese are exposed to overseas work experience they respond positively with a good work ethic and in many instances demonstrate manual dexterity. The proposed overseas work program beginning in Malaysia will provide an opportunity for larger numbers of Timorese to gain these work skills and experience. Third, the overseas work force can be expected to remit a substantial part of their wage income to families in Timor-Leste, thereby making an important contribution to domestic spending power and or savings. Based on international experience with similar programs it is not unreasonable to

expect average remittances of \$500 per worker per year. This would imply total remittances of \$1.5 million a year by FY2007/08.

Program Priorities and Intersectoral Linkages

The Government agencies responsible for vocational training and adult education have established clear priorities for the proposed program. These are summarized in Table 25. A high priority is accorded to four programs, most of which are related to non-formal education. Three other programs would be started up in the following years. These programs would require new commitments of about \$4 million in FY2005/06.

Table 25: Priority Ranking of Proposed New Programs for Vocational and Adult Education
(In US\$)

| Priority ranking | Start date | Proposed Amount of New Approvals | | | | | Total |
|---|------------|----------------------------------|-----------|-----------|-----------|-----------|-----------|
| | | FY2004/05 | FY2005/06 | FY2006/07 | FY2007/08 | FY2008/09 | |
| A. High Priority Programs | | | | | | | |
| Training for vocational education teachers | FY2004/05 | 300,000 | | | | | 300,000 |
| Youth and adult education | FY2004/05 | 750,000 | | | | | 750,000 |
| Literacy program | FY2004/05 | 1,500,000 | | | | | 1,500,000 |
| Non-formal education program | FY2004/05 | 750,000 | | | | | 750,000 |
| Total proposed new approvals | | 3,300,000 | - | - | - | - | 3,300,000 |
| Annual disbursements | | 1,000,000 | 1,000,000 | 1,000,000 | 200,000 | | 3,200,000 |
| B. Programs for the Medium-term | | | | | | | |
| Creation of Vocational Education Training Authority | FY2005/06 | | 1,852,000 | | | | 1,852,000 |
| New technical /vocational school & rehabilitation | FY2005/06 | | 2,000,000 | | | | 2,000,000 |
| Overseas training program | FY2005/06 | | 300,000 | | | | 300,000 |
| Total proposed new approvals | | - | 4,152,000 | - | - | - | 4,152,000 |
| Annual disbursements | | | 1,768,000 | 1,742,000 | 642,000 | - | 4,152,000 |
| C. Total proposed new approvals | | | | | | | |
| Total new approvals | | 3,300,000 | 4,152,000 | - | - | - | 7,452,000 |
| Total annual disbursements | | 1,000,000 | 2,768,000 | 2,742,000 | 842,000 | - | 7,352,000 |

Source: Annex Table 5.

The vocational and adult education programs have strong linkages with other sectors and programs that will require increased attention to coordination among agencies within government, among donors, with the private sector and with the government and private providers of training services. Close collaboration between the Ministry of Education, Youth, Culture and Sports and the Office of the Secretary of State for Labor and Solidarity will be essential if secondary school vocational and technical training is to be aligned more closely to the emerging requirements of the labor market and with the requirements of the overseas workers program.

Similarly, demand driven training programs such as the one supported by the EU, ILO and UNDP, will need to establish close links with various government agencies and private business interests to correctly anticipate likely training requirements. The proposed \$20 million road improvement program being funded by Japan, for example, is already creating substantial opportunities for employment in construction related activities. The EU program will need advance information on the timetable for the project and likely skill requirements, if it is to be ready to respond to increased demand for training in various parts of the country where construction activities are underway. Provided the capacities of The Authority can be built up as a matter of priority along the lines proposed here, it should become a valuable clearing house for establishing matches between demand and supply of particular types of training.

XI. EXPENDITURE PROGRAMS AND FUNDING

Current Expenditure Programs

Table 26 provides a summary of those donor and CFET expenditures on vocational training, and non-formal education that are covered in this SIP. CFET allocations for these types of training rose sharply in FY2002/03, indicative of the Government's commitment to skills development and adult literacy programs.

Table 26: Donor and CFET Expenditures on Vocational and Non-Formal Education
(In US\$)

| Source of funding | Annual disbursements | | | | | Total | |
|---------------------|----------------------|------------------|------------------|------------------|------------------|-------------------|--------------|
| | FY1999/00 | FY200/01 | FY2001/02 | FY2002/03 | FY2003/04 | Amount | Percent |
| Donor programs | 240,255 | 2,940,272 | 5,126,400 | 5,720,778 | 3,501,507 | 17,529,212 | 84.6 |
| CFET appropriations | - | 50,000 | 293,500 | 1,587,500 | 1,263,500 | 3,194,500 | 15.4 |
| Total | 240,255 | 2,990,272 | 5,419,900 | 7,308,278 | 4,765,007 | 20,723,712 | 100.0 |
| Memo items: | | | | | | | |
| CFET as % of total | - | 1.7 | 5.4 | 21.7 | 26.5 | 15.4 | |

Source: Annex Table 1 and Table 21.

The allocation of expenditures among programs for the past five years is given in Table 27. Total spending on vocational and adult education programs within Timor-Leste amounted to almost

Table 27: Allocation of Donor & CFET Expenditures Among Programs,
FY1999/00 Through FY2003/04 (In US\$)

| Program | Funding source | | Total | |
|------------------------|------------------|-------------------|-------------------|--------------|
| | CFET | Donors | Amount | Percent |
| Policy & planning | 308,400 | 62,929 | 371,329 | 3.0 |
| Vocational education | 1,735,100 | 6,034,940 | 7,770,040 | 37.5 |
| Youth, adult education | 1,151,000 | 11,431,343 | 12,582,343 | 60.7 |
| Total | 3,194,500 | 17,529,212 | 20,723,712 | 100.0 |
| Memo item: | | | | |
| Overseas fellowships | - | 7,484,548 | 7,484,548 | |

Source: Annex Table 1 .

abroad and their return dates. The Government intends to approach donors for additional information on these programs in an effort to determine what additional skills are already, or will soon be available to the country.

Proposed Expenditure Programs

The program for vocational education and training over the next five years amounts to about \$19 million. Ongoing donor programs would account for almost \$7 million and CFET another \$5 million. New funding would be required for the balance of \$7 million. The most important ongoing program is the \$5.2 million Skills Training for Gainful Employment project (STAGE), which is being funded primarily by the European Commission, along with some support from the ILO and UNDP. It is a five year program that will provide demand-driven vocational and enterprise skills training nation wide and is being implemented under the direction of the Office of the Secretary of State for Labour and Solidarity.

The vocational training component accounts for 70 percent of the proposed program, reflecting the emphasis of the Government on assisting the existing labor force and new entrants to develop skills that can improve productivity and employability. The proposed program for non-formal

education amounts to \$5.4 million. The proposed program for the outer years remains weak and will need to be developed further in the light of ongoing experience.

Ongoing donor programs that provide overseas fellowship were fully disbursed by end FY2003/04. With no undisbursed funds in the pipeline, the Government is proposing to rebuild the fellowship program to about \$1 million a year to meet high priority requirements for overseas training.

Table 28: Proposed Expenditure Program for Vocational and Adult Education
(In US\$)

| Program | Annual disbursements | | | | | Total | |
|---|----------------------|-----------|-----------|-----------|-----------|------------|---------|
| | FY2004/05 | FY2005/06 | FY2006/07 | FY2007/08 | FY2008/09 | Amount | Percent |
| Policy, planning, management | | | | | | | |
| CFET programs | 52,000 | 58,000 | 59,500 | 61,000 | 62,500 | 293,000 | 1.5 |
| Vocational education | | | | | | | |
| Donor programs | 1,956,428 | 1,645,933 | 933,859 | 665,633 | - | 5,201,853 | 26.6 |
| CFET appropriations | 796,000 | 815,000 | 845,000 | 862,000 | 880,000 | 4,198,000 | 21.4 |
| Proposed new programs | 100,000 | 1,868,000 | 1,842,000 | 642,000 | - | 4,452,000 | 22.7 |
| Sub-total | 2,852,428 | 4,328,933 | 3,620,859 | 2,169,633 | 880,000 | 13,851,853 | 70.8 |
| Youth and adult education | | | | | | | |
| Donor programs | 1,298,984 | 304,077 | - | - | - | 1,603,061 | 8.2 |
| CFET appropriations | 143,000 | 150,000 | 166,000 | 178,000 | 192,000 | 829,000 | 4.2 |
| Proposed new programs | 900,000 | 900,000 | 1,000,000 | 200,000 | - | 3,000,000 | 15.3 |
| Sub-total | 2,341,984 | 1,354,077 | 1,166,000 | 378,000 | 192,000 | 5,432,061 | 27.7 |
| Total vocational & adult education | | | | | | | |
| Donor programs | 3,255,412 | 1,950,010 | 933,859 | 665,633 | - | 6,804,914 | 34.8 |
| CFET appropriations | 991,000 | 1,023,000 | 1,070,500 | 1,101,000 | 1,134,500 | 5,320,000 | 27.2 |
| Proposed new programs | 1,000,000 | 2,768,000 | 2,842,000 | 842,000 | - | 7,452,000 | 38.1 |
| Grand total | 5,246,412 | 5,741,010 | 4,846,359 | 2,608,633 | 1,134,500 | 19,576,914 | 100.0 |
| Overseas fellowships | | | | | | | |
| Proposed new programs | - | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 4,000,000 | 20.4 |
| Sub-total | - | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 4,000,000 | 20.4 |

Source: Annex Table 1.

Sources of Funding

The sources of funding for the Vocational and Adult Education program are set out in Table 29. Donors provided almost 90 percent of the funding during FY1999/00 through FY2003/04. Dependence on donor support is expected to decline, with the share of CFET funding rising to 27 percent in FY2004/05 through FY2008/09. Among the donors, Portugal, European Union, Australia, Japan, Brazil and UNICEF have provided the largest amounts of support over the past five years. For the period FY2004/05 through FY2008/09, the only donor with a large ongoing program is the European Union. The four large donors of the past five years have little or no pipeline of ongoing programs beyond FY2003/04.

Table 29: Sources of Funding for the Vocational Training and Adult Education Program
(In US\$)

| Source of Funding | FY1999/00-FY2003/04 | | FY2004/05-FY2008/09 | | Total | |
|----------------------------|---------------------|---------|---------------------|---------|------------|---------|
| | Amount | Percent | Amount | Percent | Amount | Percent |
| Donors | | | | | | |
| Portugal | 9,616,410 | 34.1 | 898,445 | 4.6 | 10,514,855 | 22.0 |
| European Union | 1,092,423 | 3.9 | 4,285,521 | 21.9 | 5,377,944 | 11.3 |
| Australia | 4,267,854 | 15.1 | - | - | 4,267,854 | 8.9 |
| Japan | 2,612,881 | 9.3 | - | - | 2,612,881 | 5.5 |
| Brazil | 2,051,955 | 7.3 | 4,538 | 0.0 | 2,056,493 | 4.3 |
| UNICEF | 730,501 | 2.6 | 608,154 | 3.1 | 1,338,655 | 2.8 |
| Other donors | 4,641,736 | 16.5 | 1,008,256 | 5.2 | 5,649,992 | 11.8 |
| Sub-total | 25,013,760 | 88.7 | 6,804,914 | 34.8 | 31,818,674 | 66.6 |
| CFET appropriations | 3,194,500 | 11.3 | 5,320,000 | 27.2 | 8,514,500 | 17.8 |
| Proposed new programs | - | - | 7,452,000 | 38.1 | 7,452,000 | 15.6 |
| Total | 28,208,260 | 100.0 | 19,576,914 | 100.0 | 47,785,174 | 100.0 |

Source: Annex Table 1, 2 and 3.

The Government attaches considerable importance to an expanded program of vocational training and adult education, as discussed earlier in this Section of the SIP. It hopes to generate renewed interest in these programs in response to the strong commitment to formulate clear policies and strategies to guide vocational and adult education programs. The Government is considering the possibility of mobilizing some financial support for the program from the domestic and international business community and from overseas training institutions that may be interested in developing twinning arrangements as part of the medium term program aimed at developing industry-specific centers of excellence among the community of service providers. Support from the oil and gas industry, the international tourism industry, the telecommunications industry, and other potential business partners that have a vital interest in ensuring a ready supply of reliable and well qualified employees, could help moderate the dependence of the program on support from traditional donors.

ANNEX TABLES

Annex Table 1.1: Actual and Proposed CFET Appropriations and Donor Expenditure Programs Completed, Ongoing and Under Preparation for the Formal Education Sector (In US\$)

| Source of Funds | Annual Disbursements | | | | | | | | | | Total | | | |
|---------------------------------|----------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------------|---------|---------------------|---------|
| | FY1999/00 | FY2000/01 | FY2001/02 | FY2002/03 | FY2003/04 | FY2004/05 | FY2005/06 | FY2006/07 | FY2007/08 | FY2008/09 | 999/00-FY2003/04 | | FY2004/05-FY2008/09 | |
| | | | | | | | | | | | Amount | Percent | Amount | Percent |
| Policy, planning and management | | | | | | | | | | | | | | |
| Donor programs | - | 2,871,559 | 1,196,119 | 769,141 | 952,700 | 201,698 | - | - | - | - | 5,789,519 | 3.5 | 201,698 | 0.1 |
| CFET Appropriations | 600,000 | 820,000 | 970,000 | 1,633,000 | 1,549,260 | 1,451,000 | 1,565,000 | 1,749,000 | 1,831,000 | 1,922,000 | 5,572,260 | 3.3 | 8,518,000 | 5.0 |
| Proposed new programs | - | - | - | - | - | 300,000 | 400,000 | 400,000 | - | - | - | - | 1,100,000 | 0.7 |
| Sub-total | 600,000 | 3,691,559 | 2,166,119 | 2,402,141 | 2,501,960 | 1,952,698 | 1,965,000 | 2,149,000 | 1,831,000 | 1,922,000 | 11,361,779 | 6.8 | 9,819,698 | 5.8 |
| Early childhood education | | | | | | | | | | | | | | |
| Donor programs | - | 252,089 | 100,180 | 342,939 | 1,360,044 | 1,388,482 | 926,272 | - | - | - | 2,055,252 | 1.2 | 2,314,754 | 1.4 |
| CFET Appropriations | - | 75,000 | 92,000 | 162,000 | 136,000 | 146,000 | 156,000 | 161,000 | 162,000 | 165,000 | 465,000 | 0.3 | 790,000 | 0.5 |
| Proposed new programs | - | - | - | - | - | 90,000 | 100,000 | 100,000 | - | - | - | - | 290,000 | 0.2 |
| Sub-total | - | 327,089 | 192,180 | 504,939 | 1,496,044 | 1,624,482 | 1,182,272 | 261,000 | 162,000 | 165,000 | 2,520,252 | 1.5 | 3,394,754 | 2.0 |
| Primary education | | | | | | | | | | | | | | |
| Donor programs | 5,752,046 | 14,930,330 | 15,598,299 | 7,827,614 | 9,887,314 | 7,450,284 | 2,437,690 | - | - | - | 53,995,603 | 32.3 | 9,887,974 | 5.8 |
| CFET Appropriations | 6,125,000 | 7,100,000 | 7,127,000 | 8,283,000 | 7,354,000 | 7,748,000 | 8,100,000 | 8,527,000 | 8,828,000 | 9,150,000 | 35,989,000 | 21.5 | 42,353,000 | 25.0 |
| Proposed new CFET | - | - | - | - | - | - | 1,067,000 | 1,947,000 | 1,664,000 | 1,535,000 | - | - | 6,213,000 | 3.7 |
| Proposed new programs | - | - | - | - | - | 250,000 | 3,454,000 | 5,300,000 | 4,762,000 | 2,800,000 | - | - | 16,566,000 | 9.8 |
| Sub-total | 11,877,046 | 22,030,330 | 22,725,299 | 16,110,614 | 17,241,314 | 15,448,284 | 15,058,690 | 15,774,000 | 15,254,000 | 13,485,000 | 89,984,603 | 53.9 | 75,019,974 | 44.4 |
| Secondary education | | | | | | | | | | | | | | |
| Donor programs | - | 8,027,502 | 6,439,259 | 1,184,595 | 5,486,378 | 4,776,986 | - | - | - | - | 21,137,734 | 12.7 | 4,776,986 | 2.8 |
| CFET Appropriations | 3,375,000 | 3,300,000 | 2,521,000 | 4,744,000 | 4,564,000 | 4,753,000 | 5,112,000 | 5,376,000 | 5,556,000 | 5,755,000 | 18,504,000 | 11.1 | 26,552,000 | 15.7 |
| Proposed new CFET | - | - | - | - | - | - | 1,083,000 | 637,000 | 1,605,000 | 2,630,000 | - | - | 5,955,000 | 3.5 |
| Proposed new programs | - | - | - | - | - | - | 6,480,000 | 8,850,000 | 6,200,000 | 1,000,000 | - | - | 22,530,000 | 13.3 |
| Sub-total | 3,375,000 | 11,327,502 | 8,960,259 | 5,928,595 | 10,050,378 | 9,529,986 | 12,675,000 | 14,863,000 | 13,361,000 | 9,385,000 | 39,641,734 | 23.7 | 59,813,986 | 35.4 |
| Tertiary education | | | | | | | | | | | | | | |
| Donor programs | 748,032 | 779,793 | 3,145,164 | 6,159,385 | 1,903,750 | 1,853,549 | - | - | - | - | 12,736,124 | 7.6 | 1,853,549 | 1.1 |
| CFET Appropriations | 1,000,000 | 1,000,000 | 1,386,000 | 914,000 | 794,000 | 685,000 | 693,000 | 706,000 | 713,000 | 720,000 | 5,094,000 | 3.0 | 3,517,000 | 2.1 |
| Proposed new programs | - | - | - | - | - | 220,000 | 670,000 | 2,220,000 | 2,550,000 | 1,400,000 | - | - | 7,060,000 | 4.2 |
| Sub-total | 1,748,032 | 1,779,793 | 4,531,164 | 7,073,385 | 2,697,750 | 2,758,549 | 1,363,000 | 2,926,000 | 3,263,000 | 2,120,000 | 17,830,124 | 10.7 | 12,430,549 | 7.4 |
| Teacher training and support | | | | | | | | | | | | | | |
| Donor programs | - | 124,029 | 260,478 | 210,492 | 695 | 167,200 | - | - | - | - | 595,694 | 0.4 | 167,200 | 0.1 |
| CFET Appropriations | - | 150,000 | 339,000 | 555,000 | 312,000 | 204,000 | 210,000 | 232,000 | 248,000 | 270,000 | 1,356,000 | 0.8 | 1,164,000 | 0.7 |
| Proposed new programs | - | - | - | - | - | 1,000,000 | 1,578,000 | 1,700,000 | 500,000 | 500,000 | - | - | 5,278,000 | 3.1 |
| Sub-total | - | 274,029 | 599,478 | 765,492 | 312,695 | 1,371,200 | 1,788,000 | 1,932,000 | 748,000 | 770,000 | 1,951,694 | 1.2 | 6,609,200 | 3.9 |
| Education, unallocated | | | | | | | | | | | | | | |
| Donor programs | 401,644 | 1,435,764 | 538,222 | 115,170 | 356,787 | 241,156 | - | - | - | - | 2,847,587 | 1.7 | 241,156 | 0.1 |
| Sports programs | | | | | | | | | | | | | | |
| Donor programs | 125,000 | 125,000 | 125,000 | 270,980 | 60,243 | 60,243 | - | - | - | - | 706,223 | 0.4 | 60,243 | 0.0 |
| CFET Appropriations | - | - | - | 64,000 | 128,000 | 114,000 | 120,000 | 130,000 | 140,000 | 150,000 | 192,000 | 0.1 | 654,000 | 0.4 |
| Proposed new programs | - | - | - | - | - | 320,000 | 320,000 | 410,000 | - | - | - | - | 1,050,000 | 0.6 |
| Sub-total | 125,000 | 125,000 | 125,000 | 334,980 | 188,243 | 494,243 | 440,000 | 540,000 | 140,000 | 150,000 | 898,223 | 0.5 | 1,764,243 | 1.0 |
| Sub-total | | | | | | | | | | | | | | |
| Donor programs | 7,026,722 | 28,546,066 | 27,402,721 | 16,880,316 | 20,007,911 | 16,139,598 | 3,363,962 | - | - | - | 99,863,736 | 59.8 | 19,503,560 | 11.5 |
| CFET Appropriations | 11,100,000 | 12,445,000 | 12,435,000 | 16,355,000 | 14,837,260 | 15,101,000 | 15,956,000 | 16,881,000 | 17,478,000 | 18,132,000 | 67,172,260 | 40.2 | 83,548,000 | 49.4 |
| Proposed new CFET | - | - | - | - | - | - | 2,150,000 | 2,584,000 | 3,269,000 | 4,165,000 | - | - | 12,168,000 | 7.2 |
| Proposed new programs | - | - | - | - | - | 2,180,000 | 13,002,000 | 18,980,000 | 14,012,000 | 5,700,000 | - | - | 53,874,000 | 31.9 |
| Sub-total | 18,126,722 | 40,991,066 | 39,837,721 | 33,235,316 | 34,845,171 | 33,420,598 | 34,471,962 | 38,445,000 | 34,759,000 | 27,997,000 | 167,035,996 | 100.0 | 169,093,560 | 100.0 |

Source: Annex Tables 2, 3 and 5.

Annex Table 1.2: Actual and Proposed CFET Appropriations and Donor Expenditure Programs Completed, Ongoing and Under Preparation for the Vocational & Adult Education Sector (In US\$)

| Source of Funds | Annual Disbursements | | | | | | | | | | Total | | | |
|------------------------------------|----------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------------|---------|---------------------|---------|
| | FY1999/00 | FY2000/01 | FY2001/02 | FY2002/03 | FY2003/04 | FY2004/05 | FY2005/06 | FY2006/07 | FY2007/08 | FY2008/09 | 999/00-FY2003/04 | | FY2004/05-FY2008/09 | |
| | | | | | | | | | | | Amount | Percent | Amount | Percent |
| Policy, planning & management | | | | | | | | | | | | | | |
| CFET appropriations | - | - | 123,500 | 133,500 | 51,400 | 52,000 | 58,000 | 59,500 | 61,000 | 62,500 | 308,400 | | 293,000 | |
| Donor programs | - | - | - | 62,929 | - | - | - | - | - | - | 62,929 | 0.0 | - | - |
| Sub-total | - | - | 123,500 | 196,429 | 51,400 | 52,000 | 58,000 | 59,500 | 61,000 | 62,500 | 371,329 | | 293,000 | |
| Scholarships and overseas training | | | | | | | | | | | | | | |
| Donor programs | 200,072 | 1,624,667 | 2,161,337 | 3,273,472 | 225,000 | - | - | - | - | - | 7,484,548 | 3.8 | - | - |
| Proposed new programs | - | - | - | - | - | - | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | - | - | 4,000,000 | 2.1 |
| Sub-total | 200,072 | 1,624,667 | 2,161,337 | 3,273,472 | 225,000 | - | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 7,484,548 | 3.8 | 4,000,000 | 2.1 |
| Technical and vocational training | | | | | | | | | | | | | | |
| Donor programs | 240,255 | 732,857 | 1,933,841 | 1,842,519 | 1,285,468 | 1,956,428 | 1,645,933 | 933,859 | 665,633 | - | 6,034,940 | 3.1 | 5,201,853 | 2.7 |
| CFET Appropriations | - | - | - | 936,000 | 799,100 | 796,000 | 815,000 | 845,000 | 862,000 | 880,000 | 1,735,100 | 0.9 | 4,198,000 | 2.2 |
| Proposed new programs | - | - | - | - | - | 100,000 | 1,868,000 | 1,842,000 | 642,000 | - | - | - | 4,452,000 | 2.3 |
| Sub-total | 240,255 | 732,857 | 1,933,841 | 2,778,519 | 2,084,568 | 2,852,428 | 4,328,933 | 3,620,859 | 2,169,633 | 880,000 | 7,770,040 | 4.0 | 13,851,853 | 7.2 |
| Adult education | | | | | | | | | | | | | | |
| Donor programs | - | 2,207,415 | 3,192,559 | 3,815,330 | 2,216,039 | 1,298,984 | 304,077 | - | - | - | 11,431,343 | 5.9 | 1,603,061 | 0.8 |
| CFET Appropriations | - | 50,000 | 170,000 | 518,000 | 413,000 | 143,000 | 150,000 | 166,000 | 178,000 | 192,000 | 1,151,000 | 0.6 | 829,000 | 0.4 |
| Proposed new programs | - | - | - | - | - | 900,000 | 900,000 | 1,000,000 | 200,000 | - | - | - | 3,000,000 | 1.6 |
| Sub-total | - | 2,257,415 | 3,362,559 | 4,333,330 | 2,629,039 | 2,341,984 | 1,354,077 | 1,166,000 | 378,000 | 192,000 | 12,582,343 | 6.4 | 5,432,061 | 2.8 |
| Sub-total | | | | | | | | | | | | | | |
| Donor programs | 440,327 | 4,564,939 | 7,287,737 | 8,994,250 | 3,726,507 | 3,255,412 | 1,950,010 | 933,859 | 665,633 | - | 25,013,760 | 12.8 | 6,804,914 | 3.5 |
| CFET Appropriations | - | 50,000 | 293,500 | 1,587,500 | 1,263,500 | 991,000 | 1,023,000 | 1,070,500 | 1,101,000 | 1,134,500 | 3,194,500 | 1.6 | 5,320,000 | 2.8 |
| Proposed new programs | - | - | - | - | - | 1,000,000 | 3,768,000 | 3,842,000 | 1,842,000 | 1,000,000 | - | - | 11,452,000 | 5.9 |
| Sub-total | 440,327 | 4,614,939 | 7,581,237 | 10,581,750 | 4,990,007 | 5,246,412 | 6,741,010 | 5,846,359 | 3,608,633 | 2,134,500 | 28,208,260 | 14.4 | 23,576,914 | 12.2 |
| Total Education and Training | | | | | | | | | | | | | | |
| Grand total | | | | | | | | | | | | | | |
| Donor programs | 7,467,049 | 33,111,005 | 34,690,458 | 25,874,566 | 23,734,418 | 19,395,010 | 5,313,972 | 933,859 | 665,633 | - | 124,877,496 | 64.0 | 26,308,474 | 13.7 |
| CFET Appropriations | 11,100,000 | 12,495,000 | 12,728,500 | 17,942,500 | 16,100,760 | 16,092,000 | 16,979,000 | 17,951,500 | 18,579,000 | 19,266,500 | 70,366,760 | 36.0 | 88,868,000 | 46.1 |
| New CFET | - | - | - | - | - | - | 2,150,000 | 2,584,000 | 3,269,000 | 4,165,000 | - | - | 12,168,000 | 6.3 |
| Proposed new donor programs | - | - | - | - | - | 3,180,000 | 16,770,000 | 22,822,000 | 15,854,000 | 6,700,000 | - | - | 65,326,000 | 33.9 |
| Total | 18,567,049 | 45,606,005 | 47,418,958 | 43,817,066 | 39,835,178 | 38,667,010 | 41,212,972 | 44,291,359 | 38,367,633 | 30,131,500 | 195,244,256 | 100.0 | 192,670,474 | 100.0 |

Source: Annex Tables 2, 3 and 5.

Annex Table 2: Summary of Donor-Funded Assistance for the Education and Training Sector (US\$)

| Program | Donor | Annual Disbursements | | | | | | | | | | Totals | | |
|--|-------------|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------|-----------|-----------|
| | | FY1999/00 | FY2000/01 | FY2001/02 | FY2002/03 | FY2003/04 | FY2004/05 | FY2005/06 | FY2006/07 | FY2007/08 | FY2008/09 | Disbursements | Approvals | |
| Policy, Planning & Management education min | | | | | | | | | | | | | | |
| Interim CAPET - education | Australia | | 1,261,993 | 52,381 | | | | | | | | | 1,314,374 | 1,315,756 |
| Education and capacity building | Australia | | 65,929 | | | | | | | | | | 65,929 | 65,929 |
| Education and capacity building | Australia | | 43,778 | | | | | | | | | | 43,778 | 43,778 |
| Education and childrens rights | Australia | | 30,212 | | | | | | | | | | 30,212 | 30,212 |
| Math and science testing | Australia | | 44,939 | 155,010 | 103,923 | | | | | | | | 303,872 | 304,990 |
| Program for developing education | Sweden | | | | | 244,494 | | | | | | | 244,494 | 213,188 |
| ERS: Support for policy development | TFET | | 356,295 | 142,986 | 719 | | | | | | | | 500,000 | 500,000 |
| ERS: Management & implementation | TFET | | 926,367 | 371,763 | 1,870 | | | | | | | | 1,300,000 | 1,300,000 |
| FSQP:Support for policy development | TFET | | | 106,841 | 184,064 | 145,390 | 34,027 | | | | | | 470,322 | 470,322 |
| FSQP: Management & implementation support | TFET | | | 277,785 | 478,565 | 378,016 | 88,471 | | | | | | 1,222,837 | 1,222,837 |
| Education policy and management | Portugal | | 122,046 | 13,158 | | | | | | | | | 135,204 | 135,159 |
| Institutional support | Portugal | | | 76,195 | | | | | | | | | 76,195 | 76,195 |
| Overseas training for administrators | Japan | | | | | 184,800 | 79,200 | | | | | | 264,000 | 264,000 |
| Study on education | Japan | | 20,000 | | | | | | | | | | 20,000 | 20,000 |
| Sub-total | | - | 2,871,559 | 1,196,119 | 769,141 | 952,700 | 201,698 | - | - | - | - | | 5,991,217 | 5,962,366 |
| Early childhood education | | | | | | | | | | | | | | |
| Early childhood care | UNICEF | | | 100,180 | | | | | | | | | 100,180 | 100,180 |
| Lacoto nursery school construction | Japan | | | | | 10,552 | | | | | | | 10,552 | 10,552 |
| Lacto school improvement | Japan | | | | | | 38,990 | | | | | | 38,990 | 38,990 |
| Early childhood education | New Zealand | | | | | 423,220 | 423,220 | | | | | | 846,440 | 846,440 |
| Child friendly space I | UNICEF | | 252,089 | | | | | | | | | | 252,089 | 252,089 |
| Integrated early childhood development I | UNICEF | | | | 342,939 | 342,938 | 342,939 | 342,939 | | | | | 1,371,755 | 1,371,765 |
| Integrated early childhood development II | UNICEF | | | | | 583,334 | 583,333 | 583,333 | | | | | 1,750,000 | 1,750,000 |
| Sub-total | | - | 252,089 | 100,180 | 342,939 | 1,360,044 | 1,388,482 | 926,272 | - | - | - | | 4,370,006 | 4,370,016 |
| Primary education | | | | | | | | | | | | | | |
| Primary education I | UNICEF | | 2,877,233 | | | | | | | | | | 2,877,233 | 2,877,233 |
| Primary education II | UNICEF | | | 1,554,580 | | | | | | | | | 1,554,580 | 1,554,580 |
| Basic education I | UNICEF | | | | 237,692 | 237,690 | 237,690 | 237,690 | | | | | 950,762 | 950,762 |
| Basic education II | UNICEF | | | | | 2,200,000 | 2,200,000 | 2,200,000 | | | | | 6,600,000 | 6,600,000 |
| ERS: Rehabilitate primary facilities | TFET | | 4,676,372 | 1,876,685 | 9,443 | | | | | | | | 6,562,500 | 6,562,500 |
| ERS provision of primary teaching materials | TFET | | 2,280,288 | 915,108 | 4,604 | | | | | | | | 3,200,000 | 3,200,000 |
| FSQP: Rehabilitate primary facilities | TFET | | | 1,402,283 | 2,415,831 | 2,733,298 | 446,607 | | | | | | 6,998,019 | 6,998,019 |
| FSQP: Provision of teaching materials | TFET | | | 512,835 | 883,505 | 697,874 | 163,331 | | | | | | 2,257,545 | 2,257,545 |
| Education III | TFET | | | | 1,350,000 | 3,600,000 | 1,750,000 | | | | | | 6,700,000 | 6,700,000 |
| Education (with UNICEF) | Greece | | 4,875 | | | | | | | | | | 4,875 | 4,875 |
| Education (with UNICEF) | Italy | | | 15,590 | | | | | | | | | 15,590 | 15,590 |
| Education (with UNICEF) | Belgium | | | 189,493 | | | | | | | | | 189,493 | 189,493 |
| Education (with UNICEF) | Belgium | | 376,468 | | | | | | | | | | 376,468 | 376,468 |
| Education (with UNICEF) | UK | | 887,223 | | | | | | | | | | 887,223 | 887,223 |
| Design of school furniture | Australia | | | 28,373 | | | | | | | | | 28,373 | 28,373 |
| Education (with UNICEF) | Australia | | | 291,422 | | | | | | | | | 291,422 | 291,422 |
| Education (with UNICEF) | Australia | | | 265,295 | | | | | | | | | 265,295 | 265,295 |
| Education (with UNICEF) | Australia | | 788,197 | | | | | | | | | | 788,197 | 788,197 |

Annex Table 2: Summary of Donor-Funded Assistance for the Education and Training Sector (US\$)

| Program | Donor | Annual Disbursements | | | | | | | | | Totals | | |
|---|---------------|----------------------|------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------|------------|
| | | FY1999/00 | FY2000/01 | FY2001/02 | FY2002/03 | FY2003/04 | FY2004/05 | FY2005/06 | FY2006/07 | FY2007/08 | FY2008/09 | Disbursements | Approvals |
| Education (with UNICEF) | Spain | 54,356 | | | | | | | | | | 54,356 | 54,356 |
| Education | Brazil | | | | 192,000 | | | | | | | 192,000 | 192,000 |
| English language training basic education | New Zealand | | | | | 18,138 | 18,138 | | | | | 36,276 | 36,276 |
| Study awards for basic education | New Zealand | | | 121,345 | 126,203 | 205,564 | 199,518 | | | | | 652,630 | 513,778 |
| Education (with UNICEF) | Japan | 895,223 | | | | | | | | | | 895,223 | 895,223 |
| Education (with UNICEF) | Japan | | 200,000 | | | | | | | | | 200,000 | 200,000 |
| Education (with UNICEF) | Japan | | 970,111 | | | | | | | | | 970,111 | 970,111 |
| Education (with UNICEF) | Japan | 532,458 | | | | | | | | | | 532,458 | 532,458 |
| Teachers building Ancasa primary school | Japan | | | | 9,540 | | | | | | | 9,540 | 9,540 |
| Rehabilitation of Becora school | Japan | | 151,934 | | | | | | | | | 151,934 | 151,934 |
| Rehabilitation of school roofs | Japan | | 1,230,000 | | | | | | | | | 1,230,000 | 1,230,000 |
| Rehabilitation of Los Palos school | Japan | | | | | 18,750 | | | | | | 18,750 | 18,750 |
| Design study for primary school construction | Japan | | | | 296,000 | | | | | | | 296,000 | 296,000 |
| Design study for primary school construction | Japan | | | | | 176,000 | | | | | | 176,000 | 176,000 |
| Reconstruction of primary schools | Japan | | | | | | 2,435,000 | | | | | 2,435,000 | 2,596,000 |
| School water and sanitation | EU | | | 1,789,400 | | | | | | | | 1,789,400 | 1,783,200 |
| School water supply and sanitation | EU | | | 890,227 | | | | | | | | 890,227 | 887,142 |
| School water supply and sanitation | EU | | | 1,288,368 | | | | | | | | 1,288,368 | 1,283,904 |
| School water supply and sanitation | EU | | | 692,599 | | | | | | | | 692,599 | 690,199 |
| School water supply and sanitation | EU | | | 1,005,245 | | | | | | | | 1,005,245 | 1,001,762 |
| School water supply and sanitation | EU | | | 1,207,845 | | | | | | | | 1,207,845 | 1,203,660 |
| School water supply and sanitation | EU | 339,830 | | | | | | | | | | 339,830 | 339,830 |
| School water supply and sanitation | EU | 529,735 | | | | | | | | | | 529,735 | 529,735 |
| School water supply and sanitation | EU | 589,705 | | | | | | | | | | 589,705 | 589,705 |
| School water supply and sanitation | EU | 599,400 | | | | | | | | | | 599,400 | 599,400 |
| School water supply and sanitation | EU | | | 1,059,325 | | | | | | | | 1,059,325 | 1,055,654 |
| Quick Impact Project - School SAS | Japan | | 115,163 | | | | | | | | | 115,163 | 115,163 |
| Community water supply & sanitation (schools) | UNICEF | | | 290,296 | | | | | | | | 290,296 | 290,296 |
| Production & provision of school equipment | Japan | | | 72,118 | | | | | | | | 72,118 | 72,118 |
| School rehabilitation program CMU | Australia | | 679,432 | 46,855 | | | | | | | | 726,287 | 727,522 |
| Pacific architect | Australia | 50,000 | 50,000 | | | | | | | | | 100,000 | 100,000 |
| Bibliographic materials | Portugal | | 104,249 | | | | | | | | | 104,249 | 104,249 |
| Portugese school of Dili | Portugal | | | 545,209 | 94,987 | | | | | | | 640,196 | 626,379 |
| Portugese school of ET | Portugal | | | 10,222 | | | | | | | | 10,222 | 10,222 |
| Manuals for schools | Portugal | | | | 76,169 | | | | | | | 76,169 | 76,169 |
| Book fair | Portugal | | | | 1,606,006 | | | | | | | 1,606,006 | 1,606,006 |
| Libraries | Portugal | 66,756 | | | | | | | | | | 66,756 | 66,756 |
| Education II | Norway | | 353,081 | | | | | | | | | 353,081 | 353,081 |
| Education I | Norway | | 34,713 | | | | | | | | | 34,713 | 38,493 |
| Education III | Norway | | | 317,754 | | | | | | | | 317,754 | 317,754 |
| Primary school rehabilitation | United States | | 294,181 | | | | | | | | | 294,181 | 294,181 |
| Education | United States | 5,820 | | | | | | | | | | 5,820 | 5,820 |
| Materials on civic education Lafaek | United States | | | | 99,821 | | | | | | | 99,821 | 99,821 |
| Support for children's magazine Lafaek | United States | | | | 91,829 | | | | | | | 91,829 | 91,829 |
| Support for children's magazine Lafaek | United States | | | | 86,427 | | | | | | | 86,427 | 86,400 |
| Support for children's magazine Lafaek | United States | | | | 97,557 | | | | | | | 97,557 | 97,557 |
| Basic education (grants) | United States | | 91,400 | | | | | | | | | 91,400 | 91,400 |
| Education equipment | Korea | | | | 150,000 | | | | | | | 150,000 | 150,000 |
| Provision of education materials | Ireland | 32,000 | 32,000 | | | | | | | | | 64,000 | 64,000 |
| Sub-total | | 5,752,046 | 14,930,330 | 15,598,299 | 7,827,614 | 9,887,314 | 7,450,284 | 2,437,690 | - | - | - | 63,883,577 | 63,869,402 |

Annex Table 2: Summary of Donor-Funded Assistance for the Education and Training Sector (US\$)

| Program | Donor | Annual Disbursements | | | | | | | | | | Totals | | |
|---|---------------|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------|------------|------------|
| | | FY1999/00 | FY2000/01 | FY2001/02 | FY2002/03 | FY2003/04 | FY2004/05 | FY2005/06 | FY2006/07 | FY2007/08 | FY2008/09 | Disbursements | Approvals | |
| Secondary education | | | | | | | | | | | | | | |
| Grants for secondary education | United States | | 412,754 | | | | | | | | | | 412,754 | 412,754 |
| Design study for junior secondary schools | Japan | | 44,000 | 39,500 | 41,500 | 44,000 | | | | | | | 169,000 | 176,000 |
| Reconstruction of secondary schools | Japan | | | | | 1,210,000 | 1,210,000 | | | | | | 2,420,000 | 2,420,000 |
| Rehabilitation of secondary schools | Ireland | | 169,828 | | | | | | | | | | 169,828 | 169,828 |
| ERS Rehabilitate secondary facilities | TFET | | 1,558,790 | 625,562 | 3,148 | | | | | | | | 2,187,500 | 2,187,500 |
| FSQP: Rehabilitate secondary facilities | TFET | | | 467,427 | 805,278 | 636,083 | 148,869 | | | | | | 2,057,657 | 2,057,657 |
| FSQP: Provision of secondary teaching materials | TFET | | | 170,944 | 294,502 | 232,634 | 54,444 | | | | | | 752,524 | 752,524 |
| English language training | Australia | | 31,884 | 25,396 | | | | | | | | | 57,280 | 57,950 |
| Secondary education | Portugal | | | | 40,167 | | | | | | | | 40,167 | 40,167 |
| Basic & secondary education | Portugal | | | | | 3,363,661 | 3,363,673 | | | | | | 6,727,334 | 6,727,334 |
| Education other disciplines | Portugal | | 238,690 | | | | | | | | | | 238,690 | 238,690 |
| Portuguese language training | Portugal | | 5,571,556 | | | | | | | | | | 5,571,556 | 5,571,556 |
| Secondary education | Portugal | | | 5,110,430 | | | | | | | | | 5,110,430 | 5,110,430 |
| Sub-total | | - | 8,027,502 | 6,439,259 | 1,184,595 | 5,486,378 | 4,776,986 | - | - | - | - | - | 25,914,720 | 25,922,390 |
| Tertiary education | | | | | | | | | | | | | | |
| Capacity building for engineers | Australia | | | 9,437 | | | | | | | | | 9,437 | 9,437 |
| Rehabilitation of University of ET | United States | | 93,500 | 93,500 | | | | | | | | | 187,000 | 187,000 |
| Development of Dili Institute of Technology | United States | | | | 33,201 | 50,201 | | | | | | | 83,402 | 83,402 |
| Renovation of UNTIL library | United States | | 40,185 | 40,185 | | | | | | | | | 80,370 | 80,370 |
| Renovation of UNTIL library | United States | | | 25,997 | 25,998 | | | | | | | | 51,995 | 51,995 |
| Grants for post secondary education | United States | | 31,013 | 31,012 | 31,012 | | | | | | | | 93,037 | 93,037 |
| Electronics expert, Faculty of Engineering, ETU | Japan | | | 111,250 | 101,250 | | | | | | | | 212,500 | 212,500 |
| Automobile expert, Faculty of Engineering, ETU | Japan | | | 111,250 | 101,250 | | | | | | | | 212,500 | 212,500 |
| Study on rehab of Faculty of Engineering, ETU | Japan | | | 207,500 | | | | | | | | | 207,500 | 207,500 |
| Rehabilitation of Engineering Faculty, ETU | Japan | | | | 4,652,000 | | | | | | | | 4,652,000 | 4,670,000 |
| Rehabilitation of Agriculture Faculty ETU | Australia | | | 275,000 | 275,000 | | | | | | | | 550,000 | 550,000 |
| Program of Cooperation CRUP-FUP | Portugal | | | 5,163 | 20,367 | | | | | | | | 25,530 | 22,568 |
| Management training program | Portugal | | | 19,878 | | | | | | | | | 19,878 | 19,878 |
| Higher learning program | Portugal | | 571,741 | 2,184,992 | | | | | | | | | 2,756,733 | 2,749,162 |
| Higher education program | Portugal | | | | | 1,853,549 | 1,853,549 | | | | | | 3,707,098 | 3,707,098 |
| Association of Portuguese Speaking Universities | Portugal | | 209 | | | | | | | | | | 209 | 209 |
| Foundation of Portuguese Universities | Portugal | | | | 732,900 | | | | | | | | 732,900 | 732,900 |
| Support for distance learning center, Dili | Portugal | | | | 156,407 | | | | | | | | 156,407 | 156,407 |
| University training support | Portugal | | 747,823 | | | | | | | | | | 747,823 | 747,823 |
| Short-term training | Korea | | | 32,000 | 30,000 | | | | | | | | 92,000 | 92,000 |
| Post secondary education program | Australia | | | 11,354 | | | | | | | | | 11,354 | 11,354 |
| Sub-total | | 748,032 | 779,793 | 3,145,164 | 6,159,385 | 1,903,750 | 1,853,549 | - | - | - | - | - | 14,589,673 | 14,597,140 |
| Technical & vocational training | | | | | | | | | | | | | | |
| Vocational training | UNDP | 134,150 | 143,150 | | | | | | | | | | 277,300 | 277,300 |
| Don Bosco Agriculture school rehabilitation | United States | 35,841 | | | | | | | | | | | 35,841 | 35,841 |
| Rehabilitate technical school, Baucau | United States | 25,000 | | | | | | | | | | | 25,000 | 25,000 |
| Vocational training center | Japan | | | 82,055 | | | | | | | | | 82,055 | 82,055 |
| Vocational education and training | Australia | | | 31,398 | | | | | | | | | 31,398 | 32,226 |
| Study on vocational training | Japan | 30,000 | | | | | | | | | | | 30,000 | 30,000 |
| Welding technology training | Japan | | | | 10,750 | | | | | | | | 10,750 | 10,750 |
| Vocational & development center Liquica | Japan | | | | | | 35,350 | 35,350 | | | | | 70,700 | 70,700 |
| Construct center for prosthetics & orthotics | Japan | | | | | | 54,574 | | | | | | 54,574 | 54,574 |
| National employment center | Portugal | | 574,144 | 739,426 | 1,034,708 | | | | | | | | 2,348,278 | 2,192,172 |
| Professional training program | Portugal | | 5,514 | 346,456 | | | | | | | | | 351,970 | 350,769 |
| Specific information training | Portugal | 2,232 | | | | | | | | | | | 2,232 | 2,232 |
| Training instructors for youth program | Portugal | 13,032 | | | | | | | | | | | 13,032 | 13,032 |
| Integrated employment generation | ILO | | | | | | 91,000 | 73,000 | | | | | 164,000 | 164,000 |
| Skill training for employment | ILO | | | | | | 115,630 | 208,134 | 138,756 | | | | 462,520 | 462,520 |
| Skill training for employment | UNDP | | | | | 40,000 | 60,000 | 52,000 | 48,000 | | | | 200,000 | 200,000 |
| Skill training for employment | EU | | | | | 1,092,423 | 1,595,336 | 1,277,449 | 747,103 | 665,633 | | | 5,377,944 | 5,377,944 |
| Professional training & social promotion (Becora) | Brazil | | 10,049 | 734,506 | 797,061 | 153,045 | 4,538 | | | | | | 1,699,199 | 1,699,199 |
| Sub-total | | 240,255 | 732,857 | 1,933,841 | 1,842,519 | 1,285,468 | 1,956,428 | 1,645,933 | 933,859 | 665,633 | - | - | 11,236,793 | 11,080,314 |

Annex Table 2: Summary of Donor-Funded Assistance for the Education and Training Sector (US\$)

| Program | Donor | Annual Disbursements | | | | | | | | | | Totals | |
|---|---------------|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------|------------|
| | | FY1999/00 | FY2000/01 | FY2001/02 | FY2002/03 | FY2003/04 | FY2004/05 | FY2005/06 | FY2006/07 | FY2007/08 | FY2008/09 | Disbursements | Approvals |
| Youth & Adult education | | | | | | | | | | | | | |
| Community education | UNICEF | | | | 112,411 | 112,411 | 112,411 | 112,411 | | | | 449,644 | 449,644 |
| Community education II | UNICEF | | | | | 191,668 | 191,666 | 191,666 | | | | 575,000 | 575,000 |
| Youth development | UNICEF | | 104,671 | 104,670 | 104,670 | | | | | | | 314,011 | 314,011 |
| Establish social education centre | Japan | | | 88,588 | | | | | | | | 88,588 | 8,858 |
| Training program in carpentry for youths | Japan | | 89,700 | | | | | | | | | 89,700 | 89,700 |
| Grants for adult education | United States | | | 31,659 | 31,660 | | | | | | | 63,319 | 63,319 |
| JICA youth leadership program I | Japan | | | | 194,681 | | | | | | | 194,681 | 194,681 |
| JICA youth leadership program II | Japan | | | | 220,315 | | | | | | | 220,315 | 220,315 |
| JICA youth leadership communications | Japan | | | 40,000 | | | | | | | | 40,000 | 40,000 |
| Disabled person's leadership training | Japan | | | 1,792 | | | | | | | | 1,792 | 1,792 |
| Youth invitation programme | Japan | | 40,000 | | | | | | | | | 40,000 | 40,000 |
| Leadership program in democracy & development | Denmark | | | | 55,880 | | | | | | | 55,880 | 55,880 |
| Human resources development (with UNICEF) | Australia | | 558,483 | | | | | | | | | 558,483 | 558,483 |
| Human resources development (with UNICEF) | UK | | | 1,218,294 | 1,202,947 | 626,573 | | | | | | 3,047,814 | 3,045,735 |
| Employment Center project | Australia | | | 173,780 | 138,733 | | | | | | | 312,513 | 302,137 |
| ERS:Social mobilization & communication | TFET | | 106,888 | 42,896 | 216 | | | | | | | 150,000 | 150,000 |
| FSQP: Social mobilization & communication | TFET | | | 32,052 | 55,219 | 43,617 | 10,208 | | | | | 141,096 | 141,096 |
| Employment & professional training, Baucau | Portugal | | | | 198,930 | | | | | | | 198,930 | 198,930 |
| Employment & professional training | Portugal | | | | | 898,445 | 898,445 | | | | | 1,796,890 | 1,796,890 |
| Agreement with OIT | Portugal | | 218,530 | 308,760 | | | | | | | | 527,290 | 526,221 |
| Insertion into active life | Portugal | | | | 20,940 | | | | | | | 20,940 | 20,940 |
| TIBAR employment center | Portugal | | 574,144 | 739,426 | 1,034,708 | | | | | | | 2,348,278 | 2,192,172 |
| Antonio Vieira youth center | Portugal | | 43,583 | 22,314 | 91,089 | | | | | | | 156,986 | 143,389 |
| Portuguese language training Catholic Church | Portugal | | | | 22,474 | | | | | | | 22,474 | 22,474 |
| Teaching net work (reading) | Portugal | | 212,224 | 119,378 | 140,329 | | | | | | | 471,931 | 450,690 |
| Strengthen SLS | Portugal | | | | 62,929 | | | | | | | 62,929 | 62,929 |
| Youth with a mission | Korea | | | | | 10,000 | | | | | | 10,000 | 10,000 |
| Employment generation in ET | Spain | | | | | 213,000 | 86,254 | | | | | 299,254 | 299,254 |
| Employment project | UNDP | | 120,326 | 120,325 | 120,325 | 120,325 | | | | | | 481,301 | 481,301 |
| Adult education program | Brazil | | 138,866 | 148,625 | 69,803 | | | | | | | 357,294 | 357,924 |
| Sub-total | | - | 2,207,415 | 3,192,559 | 3,878,259 | 2,216,039 | 1,298,984 | 304,077 | - | - | - | 13,097,333 | 12,813,765 |
| Scholarships and training | | | | | | | | | | | | | |
| Professional training scholarships | Portugal | | 6,481 | | | | | | | | | 6,481 | 6,481 |
| Scholarship program | Portugal | | | 5,781 | 2,684 | 524 | | | | | | 8,989 | 8,902 |
| Scholarship program students in Portugal | Portugal | | | | 69,334 | | | | | | | 69,334 | 69,334 |
| Scholarships for Timorese I | Portugal | | 131,681 | | | | | | | | | 131,681 | 131,681 |
| Scholarships for Timorese II | Portugal | | | 253,231 | 1,722,988 | | | | | | | 1,976,219 | 1,725,587 |
| Ross Trust Fellowship program | Australia | | 33,295 | 105,263 | 23,814 | 52,956 | | | | | | 215,328 | 241,886 |
| Support for students in Indonesia I | Japan | | | 495,000 | 163,000 | | | | | | | 658,000 | 658,000 |
| Support for students in Indonesia II | Japan | | | | 471,000 | 236,000 | | | | | | 707,000 | 707,000 |
| Overseas scholarships | UK | | | | 111,384 | | | | | | | 111,384 | 111,384 |
| East Timor ADS | Australia | | 28,615 | 1,018,623 | 1,247,608 | 855,286 | | | | | | 3,150,132 | 3,200,000 |
| Scholarship program for UNTIL teachers | Japan | | | | 225,000 | 225,000 | | | | | | 450,000 | 450,000 |
| Scholarships to ASEAN countries | Japan | | | | | | | | | | | - | - |
| Sub-total | | 200,072 | 1,624,667 | 2,161,337 | 3,273,472 | 225,000 | - | - | - | - | - | 7,484,548 | 7,310,255 |

Annex Table 2: Summary of Donor-Funded Assistance for the Education and Training Sector (US\$)

| Program | Donor | Annual Disbursements | | | | | | | | | | Totals | | |
|--|----------|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|----------------|----------------|-----------|---------------|--------------------|--------------------|
| | | FY1999/00 | FY2000/01 | FY2001/02 | FY2002/03 | FY2003/04 | FY2004/05 | FY2005/06 | FY2006/07 | FY2007/08 | FY2008/09 | Disbursements | Approvals | |
| Teacher training and support | | | | | | | | | | | | | | |
| Requalification of teachers at Salesian school | Spain | | | | 130,000 | | | | | | | | 130,000 | 130,000 |
| Primary school teacher training | Japan | | | | | | 167,200 | | | | | | 167,200 | 167,200 |
| Portuguese language center, Dili | Portugal | | 44,473 | 59,050 | 661 | | | | | | | | 104,184 | 103,881 |
| Teacher training I | Portugal | | | 36,023 | | | | | | | | | 36,023 | 36,023 |
| Portuguese teachers in East Timor | Portugal | | | | 2,989 | | | | | | | | 2,989 | 2,989 |
| Teacher training & LD education | Brazil | | 79,556 | 165,405 | 76,842 | 695 | | | | | | | 322,498 | 322,498 |
| Sub-total | | - | 124,029 | 260,478 | 210,492 | 695 | 167,200 | - | - | - | - | | 762,894 | 762,591 |
| Sports facilities and equipment | | | | | | | | | | | | | | |
| Sports equipment for SCET | Japan | | | | 25,980 | | | | | | | | 25,980 | 25,980 |
| Education, youth & sports | Portugal | | | | | 60,243 | 60,243 | | | | | | 120,486 | 120,486 |
| Asian games support | Korea | | | | 120,000 | | | | | | | | 120,000 | 120,000 |
| Construction of gymnasium | Korea | 125,000 | 125,000 | 125,000 | 125,000 | | | | | | | | 500,000 | 500,000 |
| Sub-total | | 125,000 | 125,000 | 125,000 | 270,980 | 60,243 | 60,243 | - | - | - | - | | 766,466 | 766,466 |
| Education, unallocated | | | | | | | | | | | | | | |
| Education program | Portugal | | 643,080 | | | | | | | | | | 643,080 | 643,080 |
| School equipment for East Timor | Portugal | 63,984 | | | | | | | | | | | 63,984 | 63,984 |
| School training equipment | Portugal | | 605,448 | 141,260 | | | | | | | | | 746,708 | 746,218 |
| Education other sectors | Portugal | | | 209,075 | | | | | | | | | 209,075 | 209,075 |
| Other education projects | Portugal | | | | | 241,157 | 241,156 | | | | | | 482,313 | 482,312 |
| Education | EU | 337,660 | 187,236 | 187,887 | 115,170 | 115,630 | | | | | | | 943,583 | 1,034,170 |
| Sub-total | | 401,644 | 1,435,764 | 538,222 | 115,170 | 356,787 | 241,156 | - | - | - | - | | 3,088,743 | 3,178,839 |
| Grand total | | 7,467,049 | 33,111,005 | 34,690,458 | 25,874,566 | 23,734,418 | 19,395,010 | 5,313,972 | 933,859 | 665,633 | - | | 151,185,970 | 150,633,544 |

Source: Registry of External Assistance.

Annex Table 3: Summary of CFET Budget Appropriations for Education & Training Sector (US\$)

| Budget Category | Annual Appropriations | | | | | | | | | | Total | | | |
|---|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|--------------|-------------------|--------------|
| | FY1999-00 | FY 2000-01 | FY2001-02 | FY2002-03 | FY2003-04 | FY2004-05 | FY2005-06 | FY2006-07 | FY2007/08 | FY2008/09 | FY1999/00-FY2003/04 | | FY2004/05-FY08/09 | |
| | | | | | | | | | | | Amount | Percent | Amount | Percent |
| Ministry of ECY & S | | | | | | | | | | | | | | |
| Office of the Minister | - | 20,000 | 20,000 | 25,000 | 35,000 | 35,000 | 35,000 | 36,000 | 37,000 | 38,000 | 100,000 | 0.1 | 181,000 | 0.2 |
| Office of the Vice Minister | - | - | 15,000 | 19,000 | 24,000 | 24,000 | 24,000 | 25,000 | 26,000 | 27,000 | 58,000 | 0.1 | 126,000 | 0.1 |
| Office of Secretary of State | - | - | 10,000 | 19,000 | 24,000 | 24,000 | 24,000 | 25,000 | 26,000 | 27,000 | 53,000 | 0.1 | 126,000 | 0.1 |
| Administration and Management | 600,000 | 800,000 | 925,000 | 1,570,000 | 1,253,790 | 1,148,000 | 1,227,000 | 1,344,000 | 1,403,000 | 1,470,000 | 5,148,790 | 7.3 | 6,592,000 | 7.4 |
| Policy and Planning | - | - | - | - | 212,470 | 220,000 | 255,000 | 319,000 | 339,000 | 360,000 | 212,470 | 0.3 | 1,493,000 | 1.7 |
| Early Childhood Education | - | 75,000 | 92,000 | 162,000 | 136,000 | 146,000 | 156,000 | 161,000 | 162,000 | 165,000 | 465,000 | 0.7 | 790,000 | 0.9 |
| Primary Education | 4,000,000 | 4,250,000 | 6,472,000 | 6,747,000 | 6,864,000 | 7,248,000 | 7,500,000 | 7,727,000 | 7,828,000 | 7,950,000 | 28,333,000 | 40.3 | 38,253,000 | 43.0 |
| School rehabilitation | 2,125,000 | 2,850,000 | 655,000 | 1,536,000 | 490,000 | 500,000 | 600,000 | 800,000 | 1,000,000 | 1,200,000 | 7,656,000 | 10.9 | 4,100,000 | 4.6 |
| Junior Secondary Education | 1,400,000 | 1,400,000 | 1,367,000 | 2,754,000 | 2,773,000 | 2,742,000 | 2,897,000 | 2,903,000 | 2,936,000 | 2,965,000 | 9,694,000 | 13.8 | 14,443,000 | 16.3 |
| School rehabilitation | 625,000 | 500,000 | 33,000 | 174,000 | 142,000 | 310,000 | 386,000 | 463,000 | 520,000 | 580,000 | 1,474,000 | 2.1 | 2,259,000 | 2.5 |
| Senior Secondary Education | 1,100,000 | 1,150,000 | 1,121,000 | 1,766,000 | 1,584,000 | 1,568,000 | 1,663,000 | 1,730,000 | 1,755,000 | 1,800,000 | 6,721,000 | 9.6 | 8,516,000 | 9.6 |
| School rehabilitation | 250,000 | 250,000 | - | 50,000 | 65,000 | 133,000 | 166,000 | 280,000 | 345,000 | 410,000 | 615,000 | 0.9 | 1,334,000 | 1.5 |
| Technical Vocational Education | - | - | - | 716,000 | 614,000 | 622,000 | 633,000 | 652,000 | 658,000 | 665,000 | 1,330,000 | 1.9 | 3,230,000 | 3.6 |
| Non-formal Education | - | 50,000 | 170,000 | 444,000 | 310,000 | 70,000 | 74,000 | 79,000 | 84,000 | 90,000 | 974,000 | 1.4 | 397,000 | 0.4 |
| Tertiary Education | 1,000,000 | 1,000,000 | 1,386,000 | 914,000 | 794,000 | 685,000 | 693,000 | 706,000 | 713,000 | 720,000 | 5,094,000 | 7.2 | 3,517,000 | 4.0 |
| Youth Welfare and Development | - | - | - | 74,000 | 103,000 | 73,000 | 76,000 | 87,000 | 94,000 | 102,000 | 177,000 | 0.3 | 432,000 | 0.5 |
| Physical Education and Sports | - | - | - | 64,000 | 128,000 | 114,000 | 120,000 | 130,000 | 140,000 | 150,000 | 192,000 | 0.3 | 654,000 | 0.7 |
| Institute for Continuing Education | - | 150,000 | 339,000 | 555,000 | 312,000 | 204,000 | 210,000 | 232,000 | 248,000 | 270,000 | 1,356,000 | 1.9 | 1,164,000 | 1.3 |
| Sub-total | 11,100,000 | 12,495,000 | 12,605,000 | 17,589,000 | 15,864,260 | 15,866,000 | 16,739,000 | 17,699,000 | 18,314,000 | 18,989,000 | 69,653,260 | 99.0 | 87,607,000 | 98.6 |
| Secretary of State Labour & Solidarity | | | | | | | | | | | | | | |
| Office of Secretary of State for L&S | - | - | 6,500 | 11,000 | 12,000 | 12,500 | 13,000 | 13,500 | 14,000 | 14,500 | 29,500 | 0.0 | 67,500 | 0.1 |
| Directorate for Admin & Finance | - | - | 117,000 | 122,500 | 39,400 | 39,500 | 45,000 | 46,000 | 47,000 | 48,000 | 278,900 | 0.4 | 225,500 | 0.3 |
| Labor issues and services | - | - | - | 135,000 | 118,100 | 117,000 | 121,000 | 127,000 | 132,000 | 137,000 | 253,100 | 0.4 | 634,000 | 0.7 |
| Employment & skills development | - | - | - | 85,000 | 67,000 | 57,000 | 61,000 | 66,000 | 72,000 | 78,000 | 152,000 | 0.2 | 334,000 | 0.4 |
| Sub-total | - | - | 123,500 | 353,500 | 236,500 | 226,000 | 240,000 | 252,500 | 265,000 | 277,500 | 713,500 | 1.0 | 1,261,000 | 1.4 |
| Total | 11,100,000 | 12,495,000 | 12,728,500 | 17,942,500 | 16,100,760 | 16,092,000 | 16,979,000 | 17,951,500 | 18,579,000 | 19,266,500 | 70,366,760 | 100.0 | 88,868,000 | 100.0 |
| Memo items: | | | | | | | | | | | | | | |
| Capital expenditures | | | | | | | | | | | | | | |
| Formal education | 3,000,000 | 3,600,000 | 688,000 | 1,760,000 | 697,000 | 943,000 | 1,152,000 | 1,543,000 | 1,865,000 | 2,190,000 | 9,745,000 | 13.8 | 7,693,000 | 8.7 |
| Vocational education | - | - | 77,000 | 85,000 | 112,000 | 32,500 | 26,500 | 25,000 | 28,000 | 30,000 | 274,000 | 0.4 | 142,000 | 0.2 |
| Total | 3,000,000 | 3,600,000 | 765,000 | 1,845,000 | 809,000 | 975,500 | 1,178,500 | 1,568,000 | 1,893,000 | 2,220,000 | 10,019,000 | 14.2 | 7,835,000 | 8.8 |

Source: Budget Office

Note: Excluded from Secretary of Labour & Solidarity data are appropriations for veterans affairs and social services.

Annex Table 4: Sources of Funding for Education and Training Sector (US\$)

| Donor | Annual Disbursements | | | | | | | | | | Totals | |
|----------------------------------|----------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|---------------|-------------|
| | FY1999/00 | FY2000/01 | FY2001/02 | FY2002/03 | FY2003/04 | FY2004/05 | FY2005/06 | FY2006/07 | FY2007/08 | FY2008/09 | Disbursements | Approvals |
| Donor | | | | | | | | | | | | |
| Portugal | 1,032,198 | 9,330,772 | 10,622,865 | 6,094,898 | 6,417,055 | 6,417,066 | - | - | - | - | 39,914,854 | 39,395,478 |
| TFET | - | 9,905,000 | 6,945,167 | 6,486,964 | 8,466,912 | 2,695,957 | - | - | - | - | 34,500,000 | 34,500,000 |
| Japan | 1,457,681 | 3,355,908 | 1,388,053 | 6,114,266 | 1,869,102 | 3,930,390 | - | - | - | - | 18,115,400 | 18,221,670 |
| UNICEF | - | 3,233,993 | 2,049,726 | 797,712 | 3,668,041 | 3,668,039 | 3,668,039 | - | - | - | 17,085,550 | 17,085,560 |
| European Union | 2,396,330 | 187,236 | 8,120,896 | 115,170 | 1,208,053 | 1,595,336 | 1,277,449 | 747,103 | 665,633 | - | 16,313,206 | 16,376,305 |
| Australia | 900,107 | 4,486,980 | 2,040,679 | 1,425,898 | - | - | - | - | - | - | 8,853,664 | 8,924,947 |
| Brazil | - | 228,471 | 1,048,536 | 1,135,706 | 153,740 | 4,538 | - | - | - | - | 2,570,991 | 2,571,621 |
| United States | 66,661 | 963,033 | 222,353 | 497,505 | 50,201 | - | - | - | - | - | 1,799,753 | 1,799,726 |
| New Zealand | - | - | 121,345 | 126,203 | 646,922 | 640,876 | - | - | - | - | 1,535,346 | 1,396,494 |
| United Kingdom | 887,223 | - | - | 111,384 | - | - | - | - | - | - | 998,607 | 998,607 |
| Korea | 125,000 | 157,000 | 155,000 | 425,000 | - | - | - | - | - | - | 862,000 | 862,000 |
| Norway | - | 387,794 | 317,754 | - | - | - | - | - | - | - | 705,548 | 709,328 |
| Belgium | 376,468 | 189,493 | - | - | - | - | - | - | - | - | 565,961 | 565,961 |
| Spain | 54,356 | - | - | 130,000 | 213,000 | 86,254 | - | - | - | - | 483,610 | 483,610 |
| UNDP | 134,150 | 143,150 | - | - | 40,000 | 60,000 | 52,000 | 48,000 | - | - | 477,300 | 477,300 |
| ILO | - | - | - | - | - | 206,630 | 281,134 | 138,756 | - | - | 626,520 | 626,520 |
| Ireland | 32,000 | 201,828 | - | - | - | - | - | - | - | - | 233,828 | 233,828 |
| Sweden | - | - | - | - | 244,494 | - | - | - | - | - | 244,494 | 213,188 |
| Denmark | - | - | - | 55,880 | - | - | - | - | - | - | 55,880 | 55,880 |
| Italy | - | 15,590 | - | - | - | - | - | - | - | - | 15,590 | 15,590 |
| Greece | 4,875 | - | - | - | - | - | - | - | - | - | 4,875 | 4,875 |
| Sub-total | 7,467,049 | 32,786,248 | 33,032,374 | 23,516,586 | 22,977,520 | 19,305,086 | 5,278,622 | 933,859 | 665,633 | - | 145,297,344 | 145,518,488 |
| CFET Budget Appropriation | - | 12,495,000 | 12,728,500 | 17,942,500 | 16,100,760 | 16,092,000 | 16,979,000 | 17,951,500 | 18,579,000 | 19,266,500 | 70,366,760 | 70,366,760 |
| Total funding | 7,467,049 | 45,281,248 | 45,760,874 | 41,459,086 | 39,078,280 | 35,397,086 | 22,257,622 | 18,885,359 | 19,244,633 | 19,266,500 | 215,664,104 | 215,885,248 |
| CFET as % of total | - | 27.6 | 27.8 | 43.3 | 41.2 | 45.5 | 76.3 | 95.1 | 96.5 | 100.0 | 32.6 | 32.6 |

Source: Registry of External Assistance.

Annex Table 5: Proposed New Expenditure Programs for the Formal Education Sub-Sector
(In US\$)

| Program | Possible Funding Source | Proposed Amount | Annual disbursements | | | | | Total |
|---|-------------------------|-----------------|----------------------|------------|------------|------------|-----------|------------|
| | | | FY2004/05 | FY2005/06 | FY2006/07 | FY2007/08 | FY2008/09 | |
| A. FORMAL EDUCATION SYSTEM | | | | | | | | |
| Policy, planning & management | | | | | | | | |
| Capacity building for policy & planning | | 1,100,000 | 300,000 | 400,000 | 400,000 | | | 1,100,000 |
| Early childhood development | | | | | | | | |
| Curriculum development | | 290,000 | 90,000 | 100,000 | 100,000 | | | 290,000 |
| Primary school | | | | | | | | |
| Curriculum development | | 500,000 | 250,000 | 250,000 | | | | 500,000 |
| Primary school construction & rehabilitation | | 5,562,000 | | 1,000,000 | 2,300,000 | 2,262,000 | | 5,562,000 |
| Construction and Rehabilitation of teacher houses (rural) | | 1,000,000 | | 500,000 | 500,000 | | | 1,000,000 |
| Water and Sanitation in schools | | 1,000,000 | | 500,000 | 500,000 | | | 1,000,000 |
| Text books & teaching materials | | 8,504,000 | | 1,204,000 | 2,000,000 | 2,500,000 | 2,800,000 | 8,504,000 |
| Additional CFET required for growth | CFET | 6,213,000 | | 1,067,000 | 1,947,000 | 1,664,000 | 1,535,000 | 6,213,000 |
| Sub-total | | 22,779,000 | 250,000 | 4,521,000 | 7,247,000 | 6,426,000 | 4,335,000 | 22,779,000 |
| Junior secondary school | | | | | | | | |
| Curriculum development | | 160,000 | | 80,000 | 80,000 | | | 160,000 |
| New junior secondary school project | | 10,650,000 | | 3,000,000 | 4,000,000 | 3,650,000 | | 10,650,000 |
| Text books & teaching materials | | 4,250,000 | | 750,000 | 1,500,000 | 1,000,000 | 1,000,000 | 4,250,000 |
| Laboratories and Libraries in Junior High | | 3,000,000 | | 1,500,000 | 1,500,000 | | | 3,000,000 |
| Additional CFET required for growth | CFET | 3,990,000 | | 725,000 | 427,000 | 1,075,000 | 1,763,000 | 3,990,000 |
| Sub-total | | 22,050,000 | - | 6,055,000 | 7,507,000 | 5,725,000 | 2,763,000 | 22,050,000 |
| Senior secondary school | | | | | | | | |
| Curriculum development | | 270,000 | | 150,000 | 120,000 | | | 270,000 |
| Secondary school equipment & facilities | | 2,200,000 | | 500,000 | 900,000 | 800,000 | | 2,200,000 |
| Text books & teaching materials | | 2,000,000 | | 500,000 | 750,000 | 750,000 | | 2,000,000 |
| Additional CFET required for growth | CFET | 1,965,000 | | 358,000 | 210,000 | 530,000 | 867,000 | 1,965,000 |
| Sub-total | | 6,435,000 | - | 1,508,000 | 1,980,000 | 2,080,000 | 867,000 | 6,435,000 |
| Tertiary education | | | | | | | | |
| Capital improvements for UNTL | | 5,900,000 | | | 1,500,000 | 2,000,000 | 1,400,000 | 4,900,000 |
| Laboratories & library for UNTL | | 1,500,000 | | 450,000 | 500,000 | 550,000 | | 1,500,000 |
| Scholarships for needy students | | 60,000 | 20,000 | 20,000 | 20,000 | | | 60,000 |
| Curriculum review & accreditation evaluation | | 600,000 | 200,000 | 200,000 | 200,000 | | | 600,000 |
| Sub-total | | 8,060,000 | 220,000 | 670,000 | 2,220,000 | 2,550,000 | 1,400,000 | 7,060,000 |
| Teacher training | | | | | | | | |
| In-service teacher training program | | 3,278,000 | 1,000,000 | 1,078,000 | 1,200,000 | | | 3,278,000 |
| Preservice teacher training | | 1,500,000 | | 500,000 | 500,000 | 500,000 | 500,000 | 2,000,000 |
| Sub-total | | 4,778,000 | 1,000,000 | 1,578,000 | 1,700,000 | 500,000 | 500,000 | 5,278,000 |
| Sports programs | | | | | | | | |
| Sports program | | 1,050,000 | 320,000 | 320,000 | 410,000 | | | 1,050,000 |
| Total for Formal Education | | | | | | | | |
| | | 66,542,000 | 2,180,000 | 15,152,000 | 21,564,000 | 17,281,000 | 9,865,000 | 66,042,000 |
| Proposed new donor programs | | 54,374,000 | 2,180,000 | 13,002,000 | 18,980,000 | 14,012,000 | 5,700,000 | 53,874,000 |
| Proposed new CFET | | 12,168,000 | - | 2,150,000 | 2,584,000 | 3,269,000 | 4,165,000 | 12,168,000 |

Annex Table 5: Proposed New Expenditure Programs for Vocational and Adult Education and Overseas Fellowships
(In US\$)

| Program | Possible Funding Source | Proposed Amount | Annual disbursements | | | | | Total |
|---|-------------------------|-----------------|----------------------|-----------|-----------|-----------|-----------|-----------|
| | | | FY2004/05 | FY2005/06 | FY2006/07 | FY2007/08 | FY2008/09 | |
| VOCATIONAL & ADULT EDUCATION | | | | | | | | |
| Vocational & technical training | | | | | | | | |
| Creation of National Vocational Education & Training System | | 1,852,000 | | 668,000 | 642,000 | 542,000 | | 1,852,000 |
| Training for vocational education teachers | | 300,000 | 100,000 | 100,000 | 100,000 | | | 300,000 |
| New technical /vocational school & rehabilitation | | 2,000,000 | | 1,000,000 | 1,000,000 | | | 2,000,000 |
| Overseas employment program | | 300,000 | | 100,000 | 100,000 | 100,000 | | 300,000 |
| Sub-total | | 4,452,000 | 100,000 | 1,868,000 | 1,842,000 | 642,000 | - | 4,452,000 |
| Youth & adult education | | | | | | | | |
| Youth & adult education program | | 750,000 | 200,000 | 200,000 | 250,000 | 100,000 | | 750,000 |
| Literacy program | | 1,500,000 | 500,000 | 500,000 | 500,000 | | | 1,500,000 |
| Non-formal education (distance learning) | | 750,000 | 200,000 | 200,000 | 250,000 | 100,000 | | 750,000 |
| Sub-total | | 3,000,000 | 900,000 | 900,000 | 1,000,000 | 200,000 | - | 3,000,000 |
| Total for Vocational & Adult Education | | | | | | | | |
| | | 7,452,000 | 1,000,000 | 2,768,000 | 2,842,000 | 842,000 | - | 7,452,000 |
| OVERSEAS FELLOWSHIPS | | | | | | | | |
| Overseas fellowship program | | 4,000,000 | | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 4,000,000 |

Annex Table 6: Classification of Education and Training Sector Expenditures by Type of Expenditure (In US\$)

| Type of expenditure | Annual Disbursements | | | | | | | | | | Total | | | |
|--|----------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|---------------------|---------|---------------------|---------|
| | FY1999/00 | FY2000/01 | FY2001/02 | FY2002/03 | FY2003/04 | FY2004/05 | FY2005/06 | FY2006/07 | FY2007/08 | FY2008/09 | FY1999/00-FY2003/04 | | FY2004/05-FY2008/09 | |
| | Amount | Percent | Amount | Percent | Amount | Percent | Amount | Percent | Amount | Percent | Amount | Percent | Amount | Percent |
| On-budget expenditures | | | | | | | | | | | | | | |
| A. Formal education | | | | | | | | | | | | | | |
| Recurrent | | | | | | | | | | | | | | |
| Donors | 4,729,068 | 18,909,608 | 11,172,223 | 7,353,114 | 12,278,999 | 9,829,956 | 2,263,962 | - | - | - | 54,443,012 | 28.2 | 12,093,918 | 6.7 |
| CFET | 8,100,000 | 8,845,000 | 11,747,000 | 14,595,000 | 14,140,260 | 14,158,000 | 14,804,000 | 15,338,000 | 15,613,000 | 15,942,000 | 57,427,260 | 29.7 | 75,855,000 | 42.2 |
| Proposed new CFET | - | - | - | - | - | - | 2,150,000 | 2,584,000 | 3,269,000 | 4,165,000 | - | - | 12,168,000 | 6.8 |
| Proposed new donor | - | - | - | - | - | 2,180,000 | 5,552,000 | 7,280,000 | 4,750,000 | 4,300,000 | - | - | 24,062,000 | 13.4 |
| Sub-total | 12,829,068 | 27,754,608 | 22,919,223 | 21,948,114 | 26,419,259 | 26,167,956 | 24,769,962 | 25,202,000 | 23,632,000 | 24,407,000 | 111,870,272 | 57.9 | 124,178,918 | 69.1 |
| Capital | | | | | | | | | | | | | | |
| CFET | 3,000,000 | 3,600,000 | 688,000 | 1,760,000 | 697,000 | 943,000 | 1,152,000 | 1,543,000 | 1,865,000 | 2,190,000 | 9,745,000 | 5.0 | 7,693,000 | 4.3 |
| Proposed new | - | - | - | - | - | - | 7,450,000 | 11,700,000 | 9,262,000 | 1,400,000 | - | - | 29,812,000 | 16.6 |
| Sub-total | 5,297,654 | 13,236,458 | 16,918,498 | 11,287,202 | 8,425,912 | 7,252,642 | 9,702,000 | 13,243,000 | 11,127,000 | 3,590,000 | 55,165,724 | 28.6 | 44,914,642 | 25.0 |
| Total | | | | | | | | | | | | | | |
| Donors | 7,026,722 | 28,546,066 | 27,402,721 | 16,880,316 | 20,007,911 | 16,139,598 | 3,363,962 | - | - | - | 99,863,736 | 51.7 | 19,503,560 | 10.8 |
| CFET | 11,100,000 | 12,445,000 | 12,435,000 | 16,355,000 | 14,837,260 | 15,101,000 | 15,956,000 | 16,881,000 | 17,478,000 | 18,132,000 | 67,172,260 | 34.8 | 83,548,000 | 46.5 |
| Proposed new CFET | - | - | - | - | - | - | 2,150,000 | 2,584,000 | 3,269,000 | 4,165,000 | - | - | - | - |
| Proposed new | - | - | - | - | - | 2,180,000 | 13,002,000 | 18,980,000 | 14,012,000 | 5,700,000 | - | - | 53,874,000 | 30.0 |
| Total | 18,126,722 | 40,991,066 | 39,837,721 | 33,235,316 | 34,845,171 | 33,420,598 | 34,471,962 | 38,445,000 | 34,759,000 | 27,997,000 | 167,035,996 | 86.5 | 169,093,560 | 94.0 |
| B. Overseas fellowships | | | | | | | | | | | | | | |
| Donors | 200,072 | 1,624,667 | 2,161,337 | 3,273,472 | 225,000 | - | - | - | - | - | 7,484,548 | 3.9 | - | - |
| Proposed new | - | - | - | - | - | - | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | - | - | 4,000,000 | 2.2 |
| Total | 200,072 | 1,624,667 | 2,161,337 | 3,273,472 | 225,000 | - | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 7,484,548 | 4 | 4,000,000 | 2 |
| C. Vocational & technical education | | | | | | | | | | | | | | |
| Recurrent | | | | | | | | | | | | | | |
| Donors | 179,414 | 2,245,802 | 3,922,226 | 4,427,012 | 3,371,182 | 3,165,488 | 1,914,660 | 933,859 | 665,633 | - | 14,145,636 | 7.3 | 6,679,640 | 3.7 |
| CFET | - | 50,000 | 216,500 | 1,502,500 | 1,151,500 | 958,500 | 996,500 | 1,045,500 | 1,073,000 | 1,104,500 | 2,920,500 | 1.5 | 5,178,000 | 2.9 |
| Proposed new | - | - | - | - | - | 1,080,000 | 1,680,000 | 1,355,000 | 240,000 | - | - | - | 4,355,000 | 2.4 |
| Sub-total | 179,414 | 2,295,802 | 4,138,726 | 5,929,512 | 4,522,682 | 5,203,988 | 4,591,160 | 3,334,359 | 1,978,633 | 1,104,500 | 17,066,136 | 8.8 | 16,212,640 | 9.0 |
| Capital | | | | | | | | | | | | | | |
| Donors | 60,841 | 369,713 | 764,384 | 138,733 | - | - | - | - | - | - | 1,333,671 | 0.7 | - | - |
| CFET | - | - | 77,000 | 85,000 | 112,000 | 32,500 | 26,500 | 25,000 | 28,000 | 30,000 | 274,000 | 0.1 | 142,000 | 0.1 |
| Proposed new | - | - | - | - | - | - | 1,000,000 | 1,350,000 | 200,000 | - | - | - | 2,550,000 | 1.4 |
| Sub-total | 60,841 | 369,713 | 841,384 | 223,733 | 112,000 | 32,500 | 1,026,500 | 1,375,000 | 228,000 | 30,000 | 1,607,671 | 0.8 | 2,692,000 | 1.5 |
| Total | | | | | | | | | | | | | | |
| Donors | 240,255 | 2,615,515 | 4,686,610 | 4,565,745 | 3,371,182 | 3,165,488 | 1,914,660 | 933,859 | 665,633 | - | 15,479,307 | 8.0 | 6,679,640 | 3.7 |
| CFET | - | 50,000 | 293,500 | 1,587,500 | 1,263,500 | 991,000 | 1,023,000 | 1,070,500 | 1,101,000 | 1,134,500 | 3,194,500 | 1.7 | 5,320,000 | 3.0 |
| Proposed new | - | - | - | - | - | 1,080,000 | 2,680,000 | 2,705,000 | 440,000 | - | - | - | 6,905,000 | 3.8 |
| Total | 240,255 | 2,665,515 | 4,980,110 | 6,153,245 | 4,634,682 | 5,236,488 | 5,617,660 | 4,709,359 | 2,206,633 | 1,134,500 | 18,673,807 | 9.7 | 18,904,640 | 10.5 |
| Total on-budget expenditures | | | | | | | | | | | | | | |
| Recurrent | | | | | | | | | | | | | | |
| Donors | 5,108,554 | 22,780,077 | 17,255,786 | 15,053,598 | 15,875,181 | 12,995,444 | 4,178,622 | 933,859 | 665,633 | - | 76,073,196 | 39.4 | 18,773,558 | 10.4 |
| CFET | 8,100,000 | 8,895,000 | 11,963,500 | 16,097,500 | 15,291,760 | 15,116,500 | 15,800,500 | 16,383,500 | 16,686,000 | 17,046,500 | 60,347,760 | 31.2 | 81,033,000 | 45.1 |
| Proposed new | - | - | - | - | - | 3,260,000 | 8,232,000 | 9,635,000 | 5,990,000 | 5,300,000 | - | - | 32,417,000 | 18.0 |
| Sub-total | 13,208,554 | 31,675,077 | 29,219,286 | 31,151,098 | 31,166,941 | 31,371,944 | 28,211,122 | 26,952,359 | 23,341,633 | 22,346,500 | 136,420,956 | 70.6 | 132,223,558 | 73.5 |
| Capital | | | | | | | | | | | | | | |
| Donors | 2,358,495 | 10,006,171 | 16,994,882 | 9,665,935 | 7,728,912 | 6,309,642 | 1,100,000 | - | - | - | 46,754,395 | 24.2 | 7,409,642 | 4.1 |
| CFET | 3,000,000 | 3,600,000 | 765,000 | 1,845,000 | 809,000 | 975,500 | 1,178,500 | 1,568,000 | 1,893,000 | 2,220,000 | 10,019,000 | 5.2 | 7,835,000 | 4.4 |
| Proposed new | - | - | - | - | - | - | 8,450,000 | 13,050,000 | 9,462,000 | 1,400,000 | - | - | 32,362,000 | 18.0 |
| Sub-total | 5,358,495 | 13,606,171 | 17,759,882 | 11,510,935 | 8,537,912 | 7,285,142 | 10,728,500 | 14,618,000 | 11,355,000 | 3,620,000 | 56,773,395 | 29.4 | 47,606,642 | 26.5 |
| Total | | | | | | | | | | | | | | |
| Donors | 7,467,049 | 32,786,248 | 34,250,668 | 24,719,533 | 23,604,093 | 19,305,086 | 5,278,622 | 933,859 | 665,633 | - | 122,827,591 | 63.6 | 26,183,200 | 14.6 |
| CFET | 11,100,000 | 12,495,000 | 12,728,500 | 17,942,500 | 16,100,760 | 16,092,000 | 16,979,000 | 17,951,500 | 18,579,000 | 19,266,500 | 70,366,760 | 36.4 | 88,868,000 | 49.4 |
| Proposed new | - | - | - | - | - | 3,260,000 | 16,682,000 | 22,685,000 | 15,452,000 | 6,700,000 | - | - | 64,779,000 | 36.0 |
| Total | 18,567,049 | 45,281,248 | 46,979,168 | 42,662,033 | 39,704,853 | 38,657,086 | 38,939,622 | 41,570,359 | 34,696,633 | 25,966,500 | 193,194,351 | 100.0 | 179,830,200 | 100.0 |
| Off-budget expenditures | | | | | | | | | | | | | | |
| Grand total | 18,567,049 | 45,281,248 | 46,979,168 | 42,662,033 | 39,704,853 | 38,657,086 | 38,939,622 | 41,570,359 | 34,696,633 | 25,966,500 | 193,194,351 | 100.0 | 179,830,200 | 100.0 |

Source: Annex Tables 2, 3 and 5.