

Working Together on the Next Generation of Infrastructure **By Shane Rosenthal, Resident Representative of the Asian Development Bank's Timor-Leste Resident Mission**

This week government officials, development partners and civil society groups will meet in Dili as part of an annual gathering to review achievements over the last year and consider priorities and plans going forward. Participants will speak about successes and failures, and how the government and its development partners can best work together to improve performance and results.

The meeting is an opportunity to agree on principles to ensure the next generation of public infrastructure provides maximum value and benefits the largest number of Timorese. Participants should agree on best practices for selecting projects, achieving high quality construction, and ensuring proper maintenance and operation.

Timor-Leste has achieved so much since winning its independence a short time ago. Political stability and a functioning democracy have provided a foundation for growth that has been on a steady upward trajectory for several years. The Petroleum Fund, with a balance approaching \$16 billion, is generating substantial resources to support the development process.

Some of the most tangible improvements can be found in infrastructure, especially power supply, telecommunications, roads and water supply. Increased electricity generation and competition for mobile phone services have helped connect tens of thousands of households and lower the cost of doing business. Water supply has been improved in every district in the country, while upgraded roadways are gradually being rolled out with more progress expected in the next two years.

These changes have benefited many Timorese, but expectations are high going forward. A 2014 survey conducted by The Asia Foundation and Belun, a non-governmental organization, found that Timorese point to better roads as a top priority – not surprising given their wide reach in connecting people to services, goods to markets, and people with jobs. Improvements in urban water supply and other municipal services are also a priority for bettering living conditions, particularly in Dili which remains a center of economic activity.

Despite past achievements and ongoing progress on the road network, water supply and a new seaport, there are general concerns about the quality of spending on infrastructure. Know-how and incentives for project planning and implementation remain weak, and some projects fail to be tendered competitively and lack proper design or supervisory arrangements.

This threatens quality and sustainability of the country's infrastructure, and underscores the need to establish systems for proper planning, design and implementation. Without these, income from the Petroleum Fund may be wasted, subsidies for operations will grow, and a lack of maintenance will cause new assets to fall into disrepair.

There is a better way. Across Asia and the Pacific, governments are putting in place international standards for selecting and implementing projects, and delegating responsibility for building, managing or regulating infrastructure services to companies that bring requisite expertise.

Timor-Leste is doing this every time it tenders for works financed by major development partners, and as it moves toward a public-private partnership for the new port at Tibar Bay. The Ministry of Public Works recently began piloting a performance-based road maintenance program with the private sector, and is exploring opportunities for private sector provision of urban water services and electricity supply. The Asian Development Bank is supporting the government with these and other initiatives.

Going forward, Timor-Leste and its partners can work together in three ways to accelerate development of the next generation of infrastructure and ensure it has a meaningful impact. First, they can support a closer alignment of the budget cycle and the system for planning new infrastructure. Second, implementation can be improved with closer oversight by responsible line agencies and the Ministry of Finance, making use of country systems and other New Deal principles. Third, the government can continue to explore ways to delegate responsibilities to the private sector and civil society, to improve the quality of construction and ensure efficient service delivery.