



Babadok



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Progress made, but still a long way to go



The World Bank through the Education Fast Track Initiative (FTI) supported an assessment of reading skills in Timor-Leste's primary schools during July and August 2009. Because of Timor-Leste's high birth rate and high level of early grade repetition, children in Grades one to three represent more than half of students enrolled in school. The assessment showed clear evidence that many children spend years in primary schools without learning to read. The fact that they do not gain this most fundamental learning skill is a major contributor to the high rates of grade repetition and drop outs in Timor-Leste's primary schools.

According to the study, more than 70 percent of students at the end of Grade one could not read a single word of the simple text passage they were asked to read. Forty percent of children were not able to read a single word at the end of Grade two; meanwhile the share of children scoring zero dropped to about 20 percent at the end of Grade three. These results are based on interviews with more than 900 students in Grades one, two and three in 40 randomly-selected primary schools across the country.

The results call for immediate action. Investments are obviously needed in areas such as reading-focused teacher training, developing and distributing books and instructional materials, creating libraries, improving and expanding preschools, and developing measurable reading standards that all teachers and parents can

understand.

Despite these findings, however, there is some cause for optimism. About one third of the students in Grade three were able to read about 60 words per minute. Although this reading fluency would be considered low for Grade three students in high income countries, it is considered by many childhood reading experts as a minimum standard for reading fluency, which has been shown internationally to be associated

with reading comprehension. Some primary schools and some teachers in Timor-Leste are teaching reading effectively, which represents success on which the country can build.

The Ministry of Education is already mobilizing teacher training programs and materials distribution to begin early in the 2010 school year using its own funding and support from development partners. But much more needs to be done to improve the skills of teachers and make sure schools have better resources.

This study was part of a global initiative called EGRA (Early Grade Reading Assessment), aiming to help countries measure children's ability to read in the early grades of primary education. Consultants to the Ministry of Education carried out the evaluation. The assessment measured reading skills in both Portuguese and Tetum. This included recognition of where a text starts and ends, recognition of letters and sounds, and pronunciation of common and invented words, as well as actual reading fluency and listening comprehension skills.

Diagnostic Trade Integration Study (DTIS) Mission

The World Bank is assisting the Government of Timor-Leste in conducting their Diagnostic Trade Integration Study (DTIS). The study looks at the trade potential and environment, the first step in the Integrated Framework (IF) process by which least-developed countries receive technical assistance to improve their trading capacity. The main mission was conducted from October 27 to November 11 and included experts on trade policy, business environment, labor market, agricultural value-chain analysis and sanitary and phytosanitary standards.

Preliminary findings of the study were presented in a workshop conducted at the World Bank office on November 6 and attended by representatives from Government, the private sector, civil society and development partners.

Going forward, smaller missions will be held in early 2010 to look at trade facilitation, cross-border trade with Indonesia and market access issues. A first draft report including a proposed Action Matrix is expected for distribution to stakeholders in April 2010.

As part of the IF process, a number of thematic working groups will be formed to prioritize recommendations identified through the analytical work. These discussions will be incorporated into a final report and action matrix to be validated by the Government in mid-2010.

Do you know?

In a record year for regulatory reform worldwide, most economies in East Asia and the Pacific strengthened business regulations, making them more efficient to help increase opportunities for local firms.

Between June 2008 and May 2009 a record 131 of 183 economies around the globe reformed business regulation, according to *Doing Business 2010: Reforming through Difficult Times*, the seventh in a series of annual reports published by the IFC and the World Bank.

In East Asia and the Pacific, 17 of 24 economies made reforms against the backdrop of the global economic crisis.

Timor-Leste improved its ranking to 164 in the 2010 report from 170 in 2009 by adopting a new tax law in July 2008.

The law cut the profit tax rate from 30 percent to 10 percent and abolished the alternative minimum tax and the withholding tax on interest.

Meanwhile, corporate income tax is now paid in quarterly installments when turnover is less than \$1 million.

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Recent Report on Timor-Leste's Economic Developments

On 4 November, the Bank launched its half yearly East Asia and Pacific (EAP) economic update. Vikram Nehru (Sector Director, Poverty Reduction and Economic Management, EAP) and Ivailo Izvorski (Lead Economist, EAP) presented the report by video conference to country offices in the region. Government counterparts, donors, and economists attended the launch at the Bank office in Dili.

Habib Rab (Country Economist) gave a presentation on recent economic developments in Timor-Leste. He explained that aside from lower oil revenues, the crisis has had limited impact on the Timorese economy.

The growth of Petroleum Fund savings provides a buffer against possible short-term shocks. Indications are that economic activity remains buoyant on the back of government spending and the relatively large international presence. Challenges include ensuring the quality of public expenditure and improving domestic competitiveness.

Enhancing capacity for more effective leadership



The Leadership and Communication Capacity for National Renewal (LCCNR) is a World Bank program to help leaders and future leaders of Timor-Leste better prepare for and conduct negotiations, communications, and decision making processes to improve policy outcomes.

In 2007, the World Bank undertook to expand its support of leaders in Timor-Leste, launching the LCCNR program, developed and implemented by CMPartners, LLC (Cambridge, MA USA) and its Dili-based Timorese team. During its two-year mandate the LCCNR program has worked with over 175 leaders from various sectors of Timorese society, with a particular focus on national and local government leaders and parliamentarians. The program has successfully strengthened their leadership capacities, built valuable relationship networks, improved their communication skills and enhanced their negotiation analysis, according to participant reports and an independent evaluation.

Most recently, the LCCNR organized a

series of workshops for the members of Ministries and Government offices participating in the National Priorities process. The process is a mechanism through which the Government of Timor-Leste, with support from its international partners, identifies priorities and sets out ways to achieve them.

Twenty of the key focal points and other Ministry officials participated in a retreat in early August and in a second workshop in early September, and completed the series with a final session in November. The sessions are targeted at the specific challenges of managing bilateral and multiparty negotiations, influencing up and across decision matrices, and facilitating meetings where there are significant power differentials among participants (among Timorese or between Timorese and international advisors) and tough decisions to be made on ministerial and national priorities.

"Before we had no agreements and no commitments from Ministry to Ministry. We knew all [these skills and tools] before, but not in a systematic way. Now we can think more clearly about how to get cooperation," stated one participant at the National Priority workshop.

The challenges that confront Timor-Leste's leaders are varied and complex. The LCCNR program which closed in November was one way in which the World Bank helped Timorese developed their leadership skills.