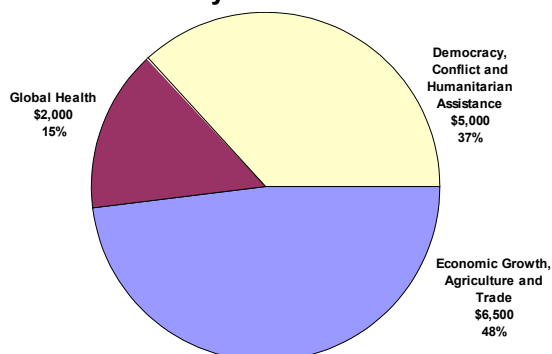
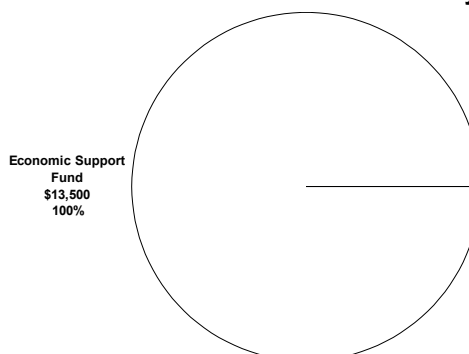


East Timor

FY 2006 Assistance by Sector



FY 2006 Assistance by Account



Objectives and Budget

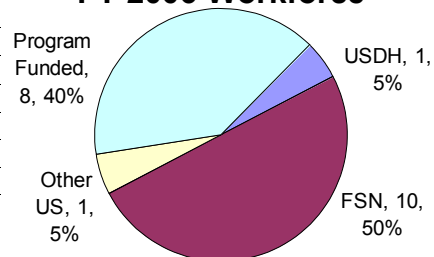
Objective	SO Number	FY 2004	FY 2005	FY 2006
Economic Revitalization	472-001	11,367		
Support for Democratic Transition	472-003	11,000		
Accelerated Economic Growth	472-004		9,956	6,500
Good Governance Strengthened	472-005		8,912	5,000
Improved health of the Timorese people	472-006		2,956	2,000
Total (in thousands of dollars)		22,367	21,824	13,500

Excludes P.L. 480. See Program Annex.

Administrative Expenses and Workforce

Administrative Expenses	FY 2004	FY 2005	FY 2006
Mission Allocation	509	1,000	1,000
USDH Salaries & Benefits		139	142
Program Funds	735	1,062	1,062
Total (in thousands of dollars)	1,244	2,201	2,204

FY 2006 Workforce



Mission Director: Flynn Fuller

East Timor

The Development Challenge: On May 20, 2002, after 24 years of Indonesian occupation, East Timor became the first newly independent nation of the millennium. East Timor is one of the ten poorest countries in the world with an estimated population of 924,642. Its small domestic market, island status, extreme mountainous terrain, and poor infrastructure present formidable challenges. Seventy five percent of the population is rural of which 80% rely on subsistence agriculture and live on less than one dollar per day. Unemployment is estimated to be higher than 19.5% and the illiteracy rate is 57% with an average household level of education of less than three years. Expanding rural poor families' access to financial markets, strengthening rural market institutions, and expanding productive employment opportunities in rural areas, especially for women, is critical to reducing the high level of chronic poverty facing East Timor. Demographics in East Timor reflect a young population with approximately 50% under the age of 15 and with low levels of education. Strengthening public institutions and building local capacity remain one of the most critical issues facing East Timor. The maternal mortality ratio of 830 per 100,000 live births and the under-five mortality of 125 per 1,000 live births are among the highest in the world.

The 2003 World Bank Poverty Assessment highlights the daunting economic and human development challenges East Timor faces, estimating that 39.7% of the population is under the chronic poverty level. Rural families have less access than urban families to basic infrastructure and services such as clean water, electricity, education, information access, health care, and sanitation. Extensive deforestation and subsequent erosion reduces agricultural productivity, degrades water resources, and decreases terrestrial and coastal biodiversity. The reduction of United Nations (UN) presence in May 2002 created a serious contraction in economic activity and a reduction in the overall growth rate. There has been a strong decline in new foreign and domestic investments. Furthermore, labor costs are higher and productivity lower than in neighboring countries.

Despite these challenges, East Timor has made solid progress since 1999 in establishing a democratic state and revitalizing its economy and export market for coffee. It developed a new constitution, held legislative and presidential elections that met international standards, and established working democratic institutions. East Timor has established a Bank and Payment Authority and is a member of the United Nations, the International Monetary Fund, World Bank, and the Asian Development Bank. The Government of East Timor (GoET) has strong political will to implement economic reforms and increase its public investments in social development. Although the country continues to advance economic and social reforms, high population growth and low economic growth continue to impede achievements in improving livelihoods and reducing poverty.

East Timor's leadership has shown a consistent commitment to economic growth and poverty reduction. As a result, East Timor was designated on November 8, 2004 as a Millennium Challenge Account (MCA)-eligible Threshold Country. However, work remains to achieve full MCA candidate country status. East Timor reportedly failed (or lacked information in) the economic freedom category, but passed two other categories. However, rapid progress is possible to achieve in the economic freedom category given the willingness of the GoET to respond, dedication of the international community, and concentration of MCA threshold resources in this area.

During the next few years East Timor will continue to depend on the donor community to meet its core operating costs and social development needs. Projected Timor Sea's oil and gas revenues are higher than expected due to the current historical high price levels. However, the uncertainty of the current price and the outcome of treaty negotiations with Australia continue to make future revenue in the short term difficult to predict. Furthermore, the low level of domestic and foreign investment hinders the ability of the GoET to collect revenue. The GoET's core budget is expected to be fully financed from its own resources by FY 2008 or FY 2009.

The overall goal of the USAID program will continue to address the long-term development needs in accordance with key U.S. foreign policy interests in East Timor: democracy, economic prosperity, improved global health, and regional security.

The USAID Program: The USAID's newly approved five-year Country Strategy focuses on two strategic objectives and one special objective in health. The activities being carried out under the new strategy

directly address East Timor's most pressing concerns: accelerating economic growth and job creation; good governance; and improving basic health services. The Economic Growth program will support job creation by improving the business enabling environment, improving markets, and increasing the production of selected products and services. At the same time, it will focus on increasing the capacity and skills of Timorese to perform better in new roles and job responsibilities. USAID's Democracy and Governance program will contribute to strengthening the foundations of governance by improving the rule of law and establishing a more effective democratic governance. This will be supported by increased transparency, accountability, and participation in government. The Health program will contribute to improved health through increased use of maternal and child health practices. This will be supported by a community health network consisting of church and other civil society groups established to effectively support key maternal and child health practices at the local level, and increased use of effective interventions to reduce the threat of priority infectious diseases. Building capacity at the local and national level is a major emphasis of all three program areas.

The three objectives of this strategic plan directly support the State/USAID Joint Strategic Goals for "Economic Prosperity and Security" and "Democracy and Human Rights" and the Performance Goal of "Improved Global Health, including child, maternal, and reproductive health, and the reduction of abortion and disease, especially HIV/AIDS, malaria, and tuberculosis". The economic growth program will assist the GoET in appropriate policy reforms, thus helping East Timor to transition from a threshold country to a full-fledged eligible country under the MCA program.

Other Program Elements: USAID's Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA) has two programs in East Timor; a program to strengthen nongovernmental organizations (NGOs) that provide sustainable services to rural areas and a program that trains rural community groups to address the needs of survivors of torture. East Timor has received support for its national malaria program via the Global Fund for AIDS, Tuberculosis, and Malaria. A four-year program supported by the Global Health Bureau will strengthen key maternal and neonatal health. The Food for Peace Program will support a nutritional supplementation program by the World Food Program in coordination with government counterparts and the NGO community.

Other Donors: USAID actively participates in the GoET-led Donor Conferences and ad-hoc donor and GoET committee meetings to address urgent development issues. East Timor has been a primary recipient of foreign assistance since 1999 and USAID's overall contribution has amounted to approximately 18%. Thirty-five official donors and 18 UN agencies as well as the World Bank and the Asian Development Bank provide assistance to East Timor. The top three bilateral donors in East Timor are Portugal, Australia, and the European Union. The United States ranks fourth. Bilateral programs cover a wide area of activities such as budget support, health, education, and humanitarian assistance. These four areas account for 70% of the assistance provided to date to East Timor. Allocations for agriculture and rural development, basic infrastructure, water supply and sanitation, environmental protection and management, and private sector development received less support. The Transition Support Program (TSP), managed by the World Bank with contributions from the World Bank and nine bilateral donors including the United States, provides capacity building and balance of payment support to the GoET. The TSP is an important program for donor coordination and performance monitoring on a semi-annual basis. From FY 2002 to FY 2004, total TSP contributions amounted to \$77 million, including \$12 million from USAID. All activities have been closely coordinated with other donors to avoid duplication and to ensure synergy.

East Timor PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2003 Actual	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Economic Support Fund	24,838	22,367	21,824	13,500
PL 480 Title II	0	669	0	0
Total Program Funds	24,838	23,036	21,824	13,500

STRATEGIC OBJECTIVE SUMMARY				
472-001 Economic Revitalization				
ESF	12,538	11,367	0	0
472-003 Support for Democratic Transition				
ESF	12,300	11,000	0	0
472-004 Accelerated Economic Growth				
ESF	0	0	9,956	6,500
472-005 Good Governance Strengthened				
ESF	0	0	8,912	5,000
472-006 Improved health of the Timorese people				
ESF	0	0	2,956	2,000

USAID Representative,
Flynn Fuller

Data Sheet

USAID Mission:	East Timor
Program Title:	Accelerated Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	472-004
Status:	New in FY 2005
Planned FY 2005 Obligation:	\$9,956,000 ESF
Prior Year Unobligated:	\$4,711,000 ESF
Proposed FY 2006 Obligation:	\$6,500,000 ESF
Year of Initial Obligation:	2005
Estimated Year of Final Obligation:	2009

Summary: USAID's Accelerated Economic Growth program focuses on improving the policy environment that supports free trade and investments to improve East Timor's access to regional and global markets, accelerating economic growth and job creation. The economic growth program will support improved production of selected products and services such as expanding rural families' access to financial markets, promoting cooperative development, increasing micro enterprises and small business development, and improving agricultural productivity and diversification of farming systems. These will be supported by increasing technical and managerial/leadership skills within in key public institutions, private sector businesses, and farmer organizations with an emphasis on women.

Inputs, Outputs, Activities:

FY 2005 Program: Strengthened Financial Sector's Contribution to Economic Growth (\$3,000,000 ESF, \$2,511,000 ESF Prior Year Unobligated). USAID will enhance local economic growth and create new employment opportunities by expanding financial markets to rural families. To this end, USAID will provide technical assistance and targeted training to strengthen the microfinance network and the organizational and staff capacity of local microfinance institutions (MFIs). USAID will work with selective MFIs and their borrowers to create appropriate lending instruments that better serve rural borrowers and their enterprise needs. Implementing partners will be determined through a competitive process.

Increase Private Sector Growth (\$3,956,000 ESF, \$2,200,000 ESF Prior Year Unobligated). USAID will focus its policy and economic assistance towards activities that foster accelerated economic growth in the private sector through a more business-friendly policy environment. USAID will support key government ministries and offices to build capacity and draft new legislation that promote private sector development in trade and investment, land tenure and property rights, non-banking and rural finance, and business development. USAID will build research capacity at the National University and other educational institutions to conduct economic policy research (including data collection and analysis) on policies and legislation identified by the Government of East Timor (GoET) and increase their collaboration with key ministries such as the Ministry of Development and Tourism, the Ministry of Agriculture, and the Prime Minister's Office. USAID will provide targeted technical assistance and training to expand land lease opportunities and improve land tenure mechanisms and practices for domestic and foreign investors. USAID will support activities designed for GoET and private sector stakeholders to strengthen institutional and individual capacities to deliver and advocate for updated, effective, transparent, and competitive economic and business regulatory methods, systems, and procedures. USAID will provide training and workshops to increase the skills in basic business management, entrepreneurial skills, financial management, marketing, human resource development, and cooperative and credit union management through the use of local service providers and training centers including the USAID-supported Kibur center. Customers will include micro, small, and medium entrepreneurs, laborers, and the unemployed (especially women and youth) in targeted communities. Implementing partners will include ARD, Inc. Additional partners will be determined through a competitive process.

Increased Agricultural Productivity (\$3,000,000 ESF). Over 80% of the population depends on subsistence agriculture with many households facing severe food shortages during part of the year. Farmer productivity with respect to basic food crops (maize and rice) is low due to low-quality varieties, low use of appropriate technologies, cultural practices, and lack of access to farm services for farmers cultivating marginal hillside lands. Many farmers have not diversified their farming systems to higher value market-

driven crops or livestock enterprises to supplement income and increase household food security. USAID will focus on improving agricultural diversification by promoting technology transfer, assisting producers and businesses to reduce constraints along the value chain (e.g., quality, productivity, information), increasing domestic food supply, and expanding access to outside niche markets. Training and farmer schools provided in collaboration with the Ministry of Agriculture and the Timor Coffee Cooperative (CCT) will be used to increase farmer skills in the utilization and management of appropriate technologies supporting improvement of basic crop yields, coffee quality, vanilla production and processing, livestock management, candlenut and tree crops, and the management of fragile lands using sound environmental and water management practices. Implementing partners will include National Cooperative Business Association. Additional partners will be determined through a competitive process.

FY 2006 Program: Strengthened Financial Sector's Contribution to Economic Growth (\$2,000,000 ESF). USAID will continue technical assistance to programs initiated in FY 2005 and deepen its involvement with the finance sector, by strengthening technical, managerial, and financial management skills in the area of performance monitoring, policy advocacy, and self-regulation for credit-only and member-based institutions.

Increase Private Sector Growth (\$2,500,000 ESF). USAID will continue to support a free market and business-friendly environment including further work on the legislative agenda for laws on land dispute mediation, land registration and compliance, investment, bankruptcy, collateral, intellectual property, cooperatives, contracts, and trade. Technical and training assistance will be provided to build the private sector's capacity in advocating for policy reforms, improving business skills and firm competitiveness, expanding cooperative development, and strengthening urban-rural market linkages.

Increased Agricultural Productivity (\$2,000,000 ESF). USAID will continue assistance for activities related to improving agricultural productivity and farm diversification to market-driven commodities, strengthening market institutions and selected value chains, and increasing the flow of market information to rural producers responding to new regional market opportunities.

Performance and Results: Current activities build on the previous USAID program which focused on the revitalization of the local economy. USAID's transitional strategy to support East Timor post-conflict promoted economic recovery through (1) increasing coffee production and sales to generate jobs and income for 50% of the coffee farming population in East Timor; (2) establishing a network of sustainable farming cooperatives managed by East Timorese producing a mix of cash crops to contribute significantly to East Timor's rapid economic recovery; (3) rehabilitating critical rural infrastructure through participatory community development projects; and (4) increasing the number of rural families being covered by CCT cooperative sponsored health clinics. In 2004, the coffee harvest season increased 30% above the average of previous years and doubled the volume of its 2003 purchases. In addition to increasing farmer incomes, the CCT's washed processing methods created significant numbers of seasonal jobs and provided income for several thousand persons involved in the CCT's transporting, pulping, fermenting, washing, sun drying, dry processing, and hand sorting activities. Additionally, a new cooperative was organized when numerous small-scale traders and retailers from several areas of the country joined together to form the East Timor Purchasing Cooperative (CLTL). The CLTL is now self sustainable and providing low-costs food items to rural communities. USAID's assistance focused on crop processing and marketing and improvements to physical facilities supporting job creation.

US Financing in Thousands of Dollars

East Timor

472-004 Accelerated Economic Growth	ESF
Through September 30, 2003	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2004	
Obligations	0
Expenditures	0
Through September 30, 2004	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	4,711
Planned Fiscal Year 2005 NOA	
Obligations	9,956
Total Planned Fiscal Year 2005	
Obligations	14,667
Proposed Fiscal Year 2006 NOA	
Obligations	6,500
Future Obligations	0
Est. Total Cost	21,167

Data Sheet

USAID Mission:	East Timor
Program Title:	Good Governance Strengthened
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	472-005
Status:	New in FY 2005
Planned FY 2005 Obligation:	\$8,912,000 ESF
Prior Year Unobligated:	\$4,424,000 ESF
Proposed FY 2006 Obligation:	\$5,000,000 ESF
Year of Initial Obligation:	2005
Estimated Year of Final Obligation:	2009

Summary: USAID will improve the foundations of governance by strengthening the rule of law and expanding more effective democratic governance at the national and district levels. Activities will focus on increasing transparency, accountability, and participation in government.

Inputs, Outputs, Activities:

FY 2005 Program: Improve Justice Sector/Legal Framework (\$2,000,000 ESF, \$2,600,000 ESF Prior Year Unobligated). USAID will assist the formal justice sector to strengthen its independence and professional capacity to deliver services and inspire confidence in the rule of law. Technical assistance, advisors, and training assistance will be provided to the Ministry of Justice, courts, and prosecutor services to improve financial management and administration of the different institutions and to facilitate access to justice for women and other disadvantaged groups. USAID will expand public information channels and legal education programs for communities to increase their awareness of the law and citizen's rights and responsibilities and to build and improve the capacity to monitor and advocate for legal reforms and practices in order to better protect human rights and civil liberties. USAID activities will enhance the capacities of legal professionals to harmonize existing laws and practices through promoting the adoption of new laws and procedural codes and increasing parliamentary capacity to draft and pass legal reforms and regulations through meaningful consultation and participation with stakeholders. Implementing partners include The Asia Foundation and the International Development Law Organization. Additional partners will be determined through a competitive process.

Promote Effective and Democratic Governance of the Security Sector (\$956,000 ESF). USAID will transfer ESF resources to the U.S Department of State to support police training programs.

Strengthen Democratic National Governance Institutions (\$3,956,000 ESF, \$1,074,000 ESF Prior Year Unobligated). USAID will focus on the development of local governance and increasing oversight and transparency in government. Activities will include the development of an ombudsman's office to provide citizens with an effective means of addressing complaints of corruption or violation of civic rights and assistance to the Inspector General's office to conduct information campaigns and promote efficiency and integrity in the civil service. Technical assistance and operational support will be provided to the public broadcast service and the government information office to improve public access to educational programs. Public education programs and promotion of transparency in governance will actively complement USAID's economic growth and health programs. Implementing partners include the National Democratic Institute (NDI), Hironde Foundation, International Foundation for Election Systems (IFES), Internews and others to be determined through competitive processes. USAID intends to provide up to \$4 million to the central government through the World Bank administered Transition Support Program (TSP) helping the government meet critical budgetary shortfalls to finance key developmental programs and build the capacity of government employees in the planning, management, and financial budgeting of critical government service program. The TSP will follow performance benchmarks jointly agreed to by donors and the Government of East Timor.

Promote and Support Free and Fair Elections (\$1,000,000 ESF, \$750,000 ESF Prior Year Unobligated). USAID will help lay the foundations for democratic elections as the first Timorese-managed national elections for parliament and president are anticipated in 2006. USAID assistance will promote a participatory process in developing the policy and legal framework for national elections and to develop

the capacity of the independent electoral commission and government electoral department to manage the process. Implementing partners include the International Republican Institute, NDI, and IFES.

Operating Expenses (\$1,000,000 ESF). Congressional authority has allowed USAID to use up to \$1,000,000 to support USAID administrative and management expenses.

FY 2006 Program: Improve Justice Sector/Legal Framework (\$2,000,000 ESF). USAID will continue to provide technical assistance and training to the Ministry of Justice, non-governmental organizations (NGOs), and other key institutions to strengthen the rule of law, advance reforms and expand capacity in the judicial sector, broaden public awareness, and expand legal aid and public defenders services to district communities and disadvantaged groups.

Strengthen Democratic National Governance Institutions (\$3,000,000 ESF). USAID will continue to fund core governance activities and programs initiated in FY 2005 supporting oversight and transparency in government and the development of local governance. USAID will fund capacity building for government staff, NGOs and local government groups in pilot program areas emphasizing improved service delivery to communities and broad participation in local governance. USAID programs will maintain a special focus on women's participation and support to marginalized areas. In the critical years of budget shortfall prior to East Timor receiving significant gas and oil revenues, it is envisioned that USAID will continue to contribute to the TSP.

Performance and Results: The new Good Governance program builds on previous USAID activities that increased citizen participation in governance, improved citizens' access to justice, and built the capacity of legislative and executive bodies. USAID provided leadership training to over 500 women to increase their confidence and ability to engage in public life. Political parties were trained on message development, communication, and outreach to district members. Community groups increased their capacity to care for victims of torture through counseling, referral to mental health services, and direct services. Another program trained 18 NGOs in financial management, planning, and development of advocacy strategies to resolve community problems. USAID assisted courts through reference resources, translation, and monitoring of court procedures and statistics. NGOs and legal aid groups provided special assistance for women to have improved access to legal services. USAID supported the prosecutors' office to conduct in-house training programs for 16 serving prosecutors and provided critical supplies and equipment to three district courts of Oecusse, Baucau, and Dili. USAID supported the Ministry of Justice's public information campaign to inform citizens about the judicial system and laws reaching over 7,400 participants in all 13 districts. Eleven interactive television and radio programs on current legal issues complemented the public meetings and broadened public awareness on governance. Two media law working groups formed, one on press laws and the second on broadcast regulations. Twenty civil-society organizations participated in a legislative drafting training program. In a pilot program, over 40 discussion groups were held involving over 562 people to better understand community security issues. USAID funded two public opinion polls over the year, which gave highly favorable ratings for public institutions and political leaders and supported members of parliament to improve outreach and communication with their constituents. USAID assisted the parliamentary committee responsible for National Security to access resource materials on security issues and conduct site visits and provided technical assistance to the Public Broadcast Service to improve programming and sustainable operations. The community education department piloted new programs in local languages on issues that supported other programs such as in health education and environmental issues. USAID assistance supported the national voter registration process, electoral database and assisted local NGOs to conduct voter education campaigns.

US Financing in Thousands of Dollars

East Timor

472-005 Good Governance Strengthened	ESF
Through September 30, 2003	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2004	
Obligations	0
Expenditures	0
Through September 30, 2004	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	4,424
Planned Fiscal Year 2005 NOA	
Obligations	8,912
Total Planned Fiscal Year 2005	
Obligations	13,336
Proposed Fiscal Year 2006 NOA	
Obligations	5,000
Future Obligations	0
Est. Total Cost	18,336

Data Sheet

USAID Mission:	East Timor
Program Title:	Improved health of the Timorese people
Pillar:	Global Health
Strategic Objective:	472-006
Status:	New in FY 2005
Planned FY 2005 Obligation:	\$2,956,000 ESF
Prior Year Unobligated:	\$2,500,000 ESF
Proposed FY 2006 Obligation:	\$2,000,000 ESF
Year of Initial Obligation:	2005
Estimated Year of Final Obligation:	2009

Summary: The USAID East Timor health program seeks to improve the health of the Timorese people, especially women and children at greatest risk, through the increased use of key maternal and child health practices and the use of effective interventions to reduce the threat of priority infectious diseases. To strengthen technical capacity and skills at the local and national levels, USAID will promote the deployment of best practices in maternal and child health and infectious diseases through in-country training programs and targeted regional or U.S. programs for selected individuals.

Inputs, Outputs, Activities:

FY 2005 Program: Improve Child Survival, Health, and Nutrition (\$1,478,000 ESF, \$1,300,000 ESF Prior Year Unobligated). USAID will train approximately 1,500 health professionals, including district health managers, facility-based providers, and community health workers to improve the use of key maternal and child health practices (e.g., breastfeeding, hand-washing and appropriate care-seeking behavior). USAID will work in collaboration with the Ministry of Health to increase the demand for and utilization of essential maternal and child health services (e.g., oral rehydration therapy, immunization and Integrated Management of Childhood Illness). USAID's centrally-funded field support mechanisms (i.e. BASICS III and BASICS Immunization) will provide technical and advisory support to Ministry of Health officials, district health professionals, and local non-governmental organizations (NGOs) focused on the introduction and widespread implementation of key child health interventions related to malnutrition, pneumonia, diarrhea, and immunization. USAID will provide technical assistance to the Ministry of Health's Expanded Program of Immunization to reduce under-five mortality. This will improve East Timor's performance on a key MCA indicator. Approximately \$50,000 in small grant support will foster a community health network among local NGOs and faith-based organizations, including the Catholic Church. USAID will provide technical assistance and training to Ministry of Health providers and local NGOs to improve the quality of care for pregnant women and mothers. A major focus of this program will be to ensure that Timorese women deliver with a skilled provider, and that they receive appropriate prenatal and postnatal care, including recognition of danger signs, safe delivery and breastfeeding counseling. The program will be implemented by Health Alliance International, a U.S.-based Private Voluntary Organization (PVO) funded by USAID Global Health Bureau's Child Survival Grants Program.

Prevent and Control Infectious Diseases of Major Importance (\$1,478,000 ESF, \$1,200,000 ESF Prior Year Unobligated). East Timor has identified malaria, tuberculosis, dengue and HIV/AIDS as priority infectious diseases. USAID's malaria control efforts, working in collaboration with Ministry of Health and NGO health providers, will include best practices for malaria control, including the distribution of approximately 100,000 long-lasting insecticide-treated bed nets to pregnant women and under-five children and education on appropriate care-seeking behavior. USAID will work at the national policy level to ensure that best practices for pregnant women and young children, such as intermittent presumptive therapy, prompt diagnosis, and effective treatment of fevers, and the establishment of new treatment protocols to address emerging anti-malarial drug resistance are adopted in East Timor. Malaria efforts will also include support for complementary prevalence and resistance surveys and expert technical guidance for implementation of the national malaria strategy. Malaria control activities will be carried out by BASICS III in conjunction with the Ministry of Health and local partners. Strengthening national capacity and support for management of tuberculosis via Direct Observed Treatment Short Course will be accomplished via BASICS III and local partners as part of the Ministry's overall effort to strengthen control of priority infectious diseases at the district level.

USAID will provide technical assistance for the expansion of a newly-established national HIV/AIDS program to ensure effective outreach among high-risk groups. Family Health International, a U.S.-based PVO with well-recognized technical excellence in the prevention and control of HIV/AIDS and several years of direct experience in East Timor, will provide continued technical and training support to the Ministry of Health and local NGOs.

FY 2006 Program: Improve Child Survival, Health and Nutrition (\$1,000,000 ESF). USAID will continue to provide technical assistance and training to expand existing activities as well as design new program activities to further increase the use of key maternal and child health "best practices" which promote behavior change. Approximately 1,500 local health professionals and selected NGOs will continue to receive technical training on best health practices and in project design and implementation to positively change essential health behaviors. USAID will continue to support in-country training programs administered through local NGOs and coordinated with the Ministry of Health to promote best health practices through targeted interventions that can be sustained over the long-term at the local and national level.

Prevent and Control Infectious Diseases of Major Importance (\$1,000,000 ESF). USAID will continue to support and expand current activities and increase the use of effective interventions to reduce the threat of priority infectious diseases such as malaria, tuberculosis, dengue, and HIV/AIDS in targeted rural areas. Local health professionals and NGOs will continue to receive technical assistance and targeted training on best practices and receive assistance in project design and implementation to promote behavior change. Technical assistance and advisory support will be provided to the Ministry of Health and NGOs in supporting strategic planning, advocating policy reforms, project management, and monitoring supported programs implemented directly and indirectly by the government to mitigate and prevent infectious diseases in targeted rural areas.

Performance and Results: There are no results to report since this is a newly created Special Objective for Health approved as part of a new five-year Country Strategy for FY 2005 to FY 2009 on October 1, 2004. By the end of the new strategy period, USAID will have significantly increased the percentage of women who were attended by a skilled care provider during delivery, thus directly contributing toward a significant reduction in maternal mortality. Likewise, child mortality will be decreased as a result of reduction in priority infectious diseases and improvements in child health practices and services. Finally, local and national capacity to sustain these key interventions will have been significantly increased, both at service delivery points as well as in communities.

US Financing in Thousands of Dollars

East Timor

472-006 Improved health of the Timorese people	ESF
Through September 30, 2003	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2004	
Obligations	0
Expenditures	0
Through September 30, 2004	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	2,500
Planned Fiscal Year 2005 NOA	
Obligations	2,956
Total Planned Fiscal Year 2005	
Obligations	5,456
Proposed Fiscal Year 2006 NOA	
Obligations	2,000
Future Obligations	0
Est. Total Cost	7,456