The Government of Norway

Irish Aid
Department of Foreign Affairs
An Roinn Gnóthaí Eachtracha

UNCDF

UNDP Timor Leste

ANNUAL REPORT

Local Governance Support Programme Timor-Leste (LGSP-TL)

UNDP Code: 00053898
UNCDF Code: 00054392
00054393

From: January - December 2008

Report Date: June 2009

COUNTRY-LEVEL JOINT PROGRAMME
ANNUAL NARRATIVE PROGRESS REPORT

REPORT COVER PAGE

Participating UN Organizations:
UNCDF
UNDP

Area/Theme:
Local Development/Decentralization
Poverty Reduction

Joint Programme No.
UNDP-BU: 45604 (Award ID), 53898 (Project ID)
UNCDF-BU (Irish): 45923 (Award ID), 54392 (Project ID)
UNCDF-BU (UNCDF core): 45924 (Award ID), 54393 (Project ID)

Joint Programme Title:
Local Governance Support Programme (LGSP)

ATLAS No (assigned by MDTF Office) **:**
00055656 (Award ID)
00067656 (Project ID)

Total JP Budget (in US$):
US$ 7,750,000

	Pass-through funding	
GoTL:	US$ 3,470,000	No
Irish Aid:	EUR 1,450,000	Yes
NOR:	US$ 119,328	Yes

Report Number:

Reporting Period: Jan-Dec 2008

Joint Programme Budget by Participating UN Organization
(for pass-through funding only):
UNCDF: US$ 665,255
UNDP: US$ 742,159

List Partners:
- World Bank

Programme Coverage/Scope:
1)Total population in 8 out of 13 districts : 473,3231 or 51 % of the total population
2) Suco Council representatives in the Local Assemblies;
3) Ministry Staff of MSATM and other line ministries

[1] The total population of Timor-Leste is 924,642 and that the total coverage of the programme is 51 percent.

Abbreviations and acronyms:

CoM	Council of Ministers
DA	District Assembly
DNAF	National Directorate for Administration and Finance
DNAL	National Directorate for Local Administration
DNDLOT	National Directorate for Local Development and Territorial Management
DSF	Decentralisation Strategic Framework
GoTL	Government of Timor-Leste
ISD	Infrastructure and Service Delivery
LA	Local Assembly
LDF	Local Development Fund
LDP	Local Development Programme
LGOS	Locacl Government Options Study
LGSP	Local Governance Support Programme
LPP	Local Planning Process
MoF	Ministry of Finance
MSATM	Ministry of State Administration and Territorial Management
MTWGs	Ministerial Technical Working Groups
NP	National Parliament
PEM	Public Expenditure Management
PFM	Public Financial Management
PSC	Programme Steering Committee
SDA	Sub-District Assembly
SDDC	Sub-District Development Committees
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme

Programme/Project Timeline/Duration

Overall Duration
2007 - 2011

Original Duration
2007 - 2011

Programme/ Project Extensions
N/A

I. Purpose

Although the Public Sector remains highly centralised in Timor-Leste, there is a firm commitment to decentralisation and local governance. The commitment is reflected in the relevant sections of the Constitution[2], in the previous Government's decisions, and in the recent programme of the 4th Constitutional Government which took office in September 2007. LGSP's rationale needs to be seen within the overall context of this ongoing policy-making process regarding local governance in Timor-Leste.

LGSP is the successor programme to two separate, but interrelated projects; the Local Development Programme (LDP) 2004-6 and the Local Government Options Study (LGOS) 2003-6. The LGSP is a joint programme funded by GoTL, Irish Aid, Government of Norway, UNDP and UNCDF, and it is being implemented over a 5-year period, started in January 2007.

The over-arching goal of LGSP is to contribute towards poverty reduction in Timor-Leste. The programme's purpose (or objective) is to support the establishment of accountable and effective local government. Decentralisation, by endowing accountable local government bodies with greater responsibilities for planning, budgeting, and implementation of infrastructure and service delivery, would result in an improved focus on the rural poor, greater allocation efficiency, better implementation arrangements, and enhanced responsiveness.

To achieve its purpose, LGSP will deliver three key outputs:

Output 1: Procedures, processes and systems for effective local-level infrastructure and service delivery (ISD) and public expenditure and public financial management (PEM/PFM) are piloted in selected Districts, Sub-Districts and Municipalities.

This output is clearly a follow-on from the former LDP: it provides opportunities for the continued piloting of procedures and systems linked to local-level infrastructure and service delivery and local PEM/PFM. Under this output, piloting activities will initially take place under the same arrangements as applied to the LDP – with Local Assemblies operating on the basis of Ministerial Decree MAEOT No. 8/2005. Pilot activities are being implemented in selected Districts[3]. As and when the pilot Districts are "municipalised", piloting will continue – with LGSP operating intensively in those ex-Districts (and new Municipalities) to further pilot and fine-tune local government systems and procedures.

Output 2: Support is provided to GoTL for the establishment of an appropriate and comprehensive institutional, legal, and regulatory framework for local government

The delivery of this output[4], which is very much a continuation of the work already done by LGOS, is an essential prelude to the establishment of a fully-fledged system of local government in Timor-Leste. Ultimately a series of policies and legal instruments will need to be drafted, discussed and, in the case of laws, submitted to the National Assembly for review and approval.

Output 3: Support is provided to GoTL for the implementation of local government reforms.

The third LGSP output[5] concerns the actual putting into place of Municipalities and the institutional/legal framework that will have been established with programme support (as specified under output 2). How LGSP will provide the government with support for implementation of local government reforms depends

[2] Constitution of Timor-Leste Article 5 and 71
[3] As of January 2008, eight districts have been selected: Bobonaro, Lautem, Manatuto, Aileu, Ainaro, Manatuto, Baucau and Covalima.
[4] Clarification on the description of the Output: while LGSP can provide various kinds of support, clearly the actual decisions in regard to establishing the framework are the sole domain of GoTL and the National Assembly.
[5] Clarification on the description of the Output: while LGSP can provide various kinds of support to implementation, the decisions and the responsibility regarding implementation are the sole domain of GoTL authorities.

largely on final decisions about the phasing of this process.

The programme is developed and implemented as an integrated part of the Ministry of State Administration and Territorial Management (MSATM), and works directly with the new National Directorate for Local Development and Territorial Management (DNDLOT) which has been mandated to oversee the LDP pilot and the decentralization reform process.

The Joint Programme is linked to the UN Development Assistance Framework 2009-2013 as below:

Outcome 1.1: State organs and institutions are more efficient, transparent, accountable, equitable, and gender responsive in planning and delivery of services.
Output 1.1.3: The government has a clear legal framework for decentralisation
Output 1.1.4: The established local government institutions have the core capacities to fulfil their mandates.

The above aims to support National Priorities of Timor-Leste, especially "development of institutional capacity, transparency and accountability; stabilisation of the justice and security sectors; promotion of social cohesion".

This Joint Programme is implemented by UNDP and UNCDF.

II. Resources

The Programme is funded by Irish Aid, Government of Norway, UNDP and UNCDF. The Government of Timor-Leste also funds to Local Development Programme, one of LGSP components.[6]

In terms of Human Resources, the number of Programme staff is 15 staff (as of 31 December 2008), which includes 2 international staff (programme) and 13 national staff (11 programmes and 4 operations).

III. Implementation and Monitoring Arrangements

On quarterly basis the Programme reports the progress against assigned outputs and activities, challenges and issues in the consolidated report. Annual report is prepared and shared with the Ministry as well as the donors on the achievements, challenges and issues during the year.

In August 2008 an external evaluation was conducted. The main objective was to evaluate LGSP progress and design. The results of the evaluation were consolidated, and will serve as the Mid-term Evaluation which is scheduled in 2009.

IV. ACTIVITIES, ACHIEVEMENTS AND CHALLENGES DURING THE REPORTING PERIOD

As stated in the Programme Document, there are three specific outputs for the LGSP and this report is organised accordingly by focussing on activities and general progress of the programme during the period between January and December 2008[7]. This is a narrative report and is intended to summarise the main achievements and challenges encountered during the second year of implementation.

To access additional information regarding the rational for previous activities and achievements, it is recommended that the Local Development Programme (LDP) annual progress reports for 2005 and 2006, in addition to LGSP annual report 2007 are considered as a reference to this 2008 annual progress report.

[6] The government fund is not channelled through pass-through funding mechanism of the Joint Programme.
[7] Local Governance Support Programme project document, p. 17 (Result Resource Framework); also see LDP Annual Progress Report 2005 & 2006.

OUTPUT 1: LOCAL DEVELOPMENT PROGRAMME PILOT

Establish procedures, processes and systems for effective local-level infrastructure and service delivery (ISD) and public expenditure and public financial management (PEM/PFM) are piloted in selected Districts, Sub-Districts and Municipalities.

ACTIVITY 1.1: Establishment of and support to Local Assemblies

The legal basis for establishing the Local Assemblies (LAs) is found in *Ministerial Decree No. 8/2005 – MSA regarding Local Assemblies,* which was approved in July 2005. The objective of the Decree Law is to ensure high degree of community representation and participation in the planning, decision-making and oversight process. Based on previous experiences with similar programmes in Timor-Leste, it was also important to ensure that the institutional framework created was independent of the LDP itself, and thus replicable and self-sustainable both in terms of human resources and financial costs. Initially two levels of institutions were established; District and Sub-District Local Assemblies, with their own budgets, autonomous decision-making powers and different levels of responsibilities in terms of service delivery aimed at simulating a real-time decentralised scenario. The Local Assemblies include two types of membership; 1) permanent voting members, who are the community representatives; and 2) executive members, who are government line ministry staff. The Local Assemblies are chaired by an Executive Secretary who is either the District or Sub-District Administrator.

LDP was originally implemented in four (4) districts: Aileu, Bobonaro, Lautem and Manatuto. In late 2007 the new Government decided to expand the LDP to an additional four (4) districts, bringing the coverage of the programme up to eight (8) out of thirteen (13) districts or a total of 51 percent of the population in Timor-Leste. Based on the decision by MSATM, the Minister announced the expansion of the LDP pilot programme to four (4) new Districts in January 2008; Ainaro, Baucau, Covalima and Manufahi, at a national information meeting held in Dili. Separately, District meetings were also held, in order to explain the LDP process and the LDF allocation for 2008 to District staff and Suco Chiefs.

It was decided that only District Assemblies were to be established in the four new districts while the existing pilot districts would continue to operate with both District and Sub-District Assemblies. The objective of this decision was to test out a new structure which was in line with the revised Government policy (i.e. District Municipalities), presently being considered. This would allow LGSP to test out and establish lessons from two possible Local Government models in Timor-Leste.

To compensate the "abolition" of the Sub-District Assembly in the new pilot areas, Sub-District Development Committees (SDDCs) were established to ensure a reliable channel for communication between the District Assemblies and the Suco Councils. All Suco Councils are represented in the SDDC with two representatives, while each SDDC is represented with three permanent members in the District Assembly. In total, 29 Local Assemblies (LAs) and 21 SDDCs have now been successfully established in the eight pilot districts. The pilot structures have 1,030 members of which 690 are representatives from the Suco Councils, and the remaining are Government staff from various sector Ministries based at the local level.

The breakdown of the number of LAs and their members is shown in Table 1 below.

Table 1: Overview of LAs and total members of Las and SDDCs

Old pilot District (2005-)	Number of DAs	Number of SDAs	Number of SDDCs	Total members of LAs & SDDCs
Bobonaro	1	6	0	161
Lautem	1	5	0	122
Manatuto	1	6	0	128
Aileu	1	4	0	109
New pilot Districts (2007-)				
Ainaro	1	0	4	100
Baucau	1	0	6	148
Covalima	1	0	7	148
Manufahi	1	0	4	114
TOTAL	**8**	**21**	**21**	**1,030**

The structure of the LAs is working very well. Although there is still room for improvement, the overall evaluation of the functioning and results is very positive.

Lessons Learnt from LDP

The two models of local government have been piloted in eight districts. In the first model, Local Assemblies were established at both district and sub-district levels. The second model started implementation in 2008 following the current government's policy guidelines, where Local Assemblies were established at the district level only.

The pilot process shows that the second model is more effective comparing to the first model, due to:

- The discussion held in SDDCs are more effective and have quality compared to SDA discussion as the SDDC members should prioritise and select the most valuable and necessaries proposals to be competed with others sub-districts proposals in the District Assemblies discussion. Therefore, all SDDC members are not only trying to convince their representatives in District Assembly to bring their sub-district aspirations and proposals to DAs meeting, but also to ensure by both selected and executive members through voting that good proposals are selected to be submitted to District Assembly.

- The Local Assemblies prioritise and decide projects in district perspective, which has more beneficiaries and easy to be monitored. On the other hand, experiences from SDA decision shows that the Assemblies tend to decide small projects with fewer beneficiaries (tendency for equal shares among Sucos).

- Involvement of line ministries in discussion and prioritisation process, through both technical inputs and voting for prioritising proposals in SDDC, gives better quality of screening process of proposals.

- Experiences proved that function of SDDC as extension of District Assembly is more effective and efficient than the function of Sub-District Assembly. Although SDDC members are not required to make final decision, they are able to screen proposals with technical inputs from relevant sectors. There is limited human recourse at sub-district level as most recourse is concentrated in district level.

Therefore, the second model (i.e. establishment of Local Assemblies at district level) is recommended for further municipalities, with following aspects to be suggested for improvement:

1. An institution like SDDC needs to be established and function as extension of municipal government which links Suco with Municipality, particularly in terms of facilitating planning process. This structure will guarantee that people in isolated areas will be covered;

2. Improvement of basic infrastructures is definitely required;

3. Intensive and regular capacity building needs to be done through "learning by doing";

4. A monitoring and evaluation mechanism needs to be set in place, including external monitoring, for Local Government activities; and

5. Banking services should be available in all 13 districts.

1.1.1 Capacity Building of new Local Assembly members

In 2005, an extensive supply-driven capacity-building programme was established and tested out in Bobonaro district. Small changes to the training modules were made in 2006 after initial implementation and applied to all Local Assemblies. Below is a list of the LDP training modules:

Module 1:	Role and responsibilities of Local Assemblies
Module 2:	Planning and Budgeting
Module 3:	Finance Management
Module 4:	Local Procurement and Contract Management

The key focus of capacity building in 2008 was to ensure that the new District Assemblies (DAs) and Sub-District Development Committees (SDDCs) became operational and functioning. All four DAs were initially trained in module 1 and 2 during the period of February and March, and a total of 770 regular members and their alternates participated in these one-week training sessions. The total number is higher than the actual number of Assembly members since alternate members were also included in the training. This decision was made based on the previous experience where the alternates members were not included and they faced problems when they actually had to participate on behalf of the regular members.

Additionally, one-day trainings for all the SDDCs (21) were held in each Sub-District during the months of March and April, where 349 people participated. It is expected that refresher training will be held in 2009 since many of the participants requested additional trainings to be held at this level.

During this reporting period trainings on local procurement and financial management were provided to the District Administration Treasury staff, LA finance teams and new national staff in the Ministry. Total of 23 Government officials participated in the finance training and 25 participated in the procurement training, these numbers included 4 women. In June, one-week finance and procurement training was held in Dili for District Administration Treasuries (DAT), Finance Teams and Local tender boards. Around 40 people from new pilot districts participated in this training.

In the four existing pilot districts, two-day refresher training was held in April in order to improve capacities at Local Assemblies on finance and procurement procedures. Fifteen (15) women out of 114 people participated in the training from finance teams, districts Administration Treasury and Local Tender Boards at Local Assemblies: 25 participants from Aileu, 36 participants from Manatuto, 21 people from Lautem and 32 people from Bobonaro. At the end of the training most of the participants expressed that their "learning by doing" process was a good method to proceed with their work.

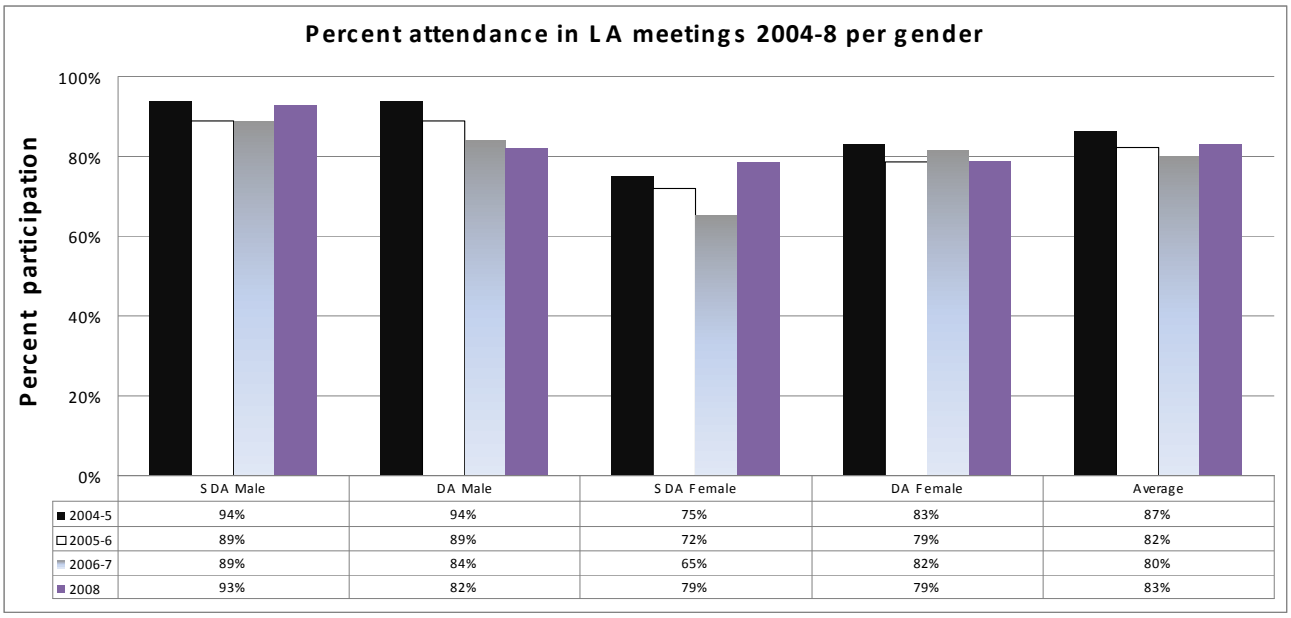
In October one-day training was conducted on Quarterly Report Matrix (QRM), Quarterly Progress Report (QPR) and 2009 Annual Action Plan (AAP) in Bobonaro and Covalima Districts, where two (2) women out of 60 members of Planning and Implementation Committees (PICs) participated. The objective of this training was to develop and increase knowledge and skill of PIC member in terms of planning and adjusting an annual work plan, and in reporting progress, including monitoring and evaluation of LAs activities.

1.1.2 Participation in Local Assembly meetings

The LDP has now been operational for four years, and as part of the M&E strategy, among other things, the level of participation in the Local Assemblies has been closely monitored. The overall level of participation remains high, with an average of 86 percent participating in SDA meetings and 79 percent in DA meetings, based on data collected from 2008[8].

A comparative overview for the period from 2004 to 2008 is provided in the table below which shows details of LA participation by voting members, including a breakdown of participation in accordance with gender:

Figure 1: Calculation of attendance in LA meetings (2004-2008)



	SDA Male	DA Male	SDA Female	DA Female	Average
2004-5	94%	94%	75%	83%	87%
2005-6	89%	89%	72%	79%	82%
2006-7	89%	84%	65%	82%	80%
2008	93%	82%	79%	79%	83%

attendance of female members is higher in the DA than in the SDA meetings.

As a very positive sign, female participation in the SDA has increased with 14 percent in 2008 compared with data for 2006-7 while there is only a small variation of a decrease of 3 percent in DA meetings. This is very encouraging since figures in previous years saw an average female participation in SDAs as low as 65 percent.

ACTIVITY 1.2: Establishment of and support to Local Planning Process (LPP)

Two documents were issued by the Ministry of State Administration, instructing the District and Sub-District Assemblies on how to consult, identify, appraise, prioritise and prepare costing and design; *Ministerial Directive 3/2005 – DNAT/MSA Sub-District Planning Guidelines*, and *Ministerial Directive 4/2005 – DNAT/MSA District Planning Guidelines back in 2005*. The aim of the LPP is to establish basic standards in the planning process at local level, thereby ensuring high-level of participation and informed decision-making processes, so that local needs and priorities are fully taken into account with genuine ownership. For the new additional four districts, a new planning guideline was developed to facilitate a new pilot structure of District Assembly with a Sub-District Development Committee (SDDC).

1.2.1 Local Development Fund (LDF):

In general, the LPP established by the LDP at District and Sub-District level has been effective in identifying, appraising and prioritising local-level infrastructure projects. The process has now been tested out over four years and with 29 LAs in the eight pilot districts. The Suco Councils continue to provide most of the "raw" input into the planning process through community meetings, and the efforts of District and Sub-District

[8] More detailed information is provided in annex 1 – participation table 2004-8.

staff should be commended in carrying out the technical work related to the LPP. The District Integration Workshop (DIW) has proven to be an effective tool in ensuring sector buy-in for local investments and in avoiding duplication in investment planning decisions.

Figure 2: Summary of LDP Local Planning Process in the initial 4 pilot districts

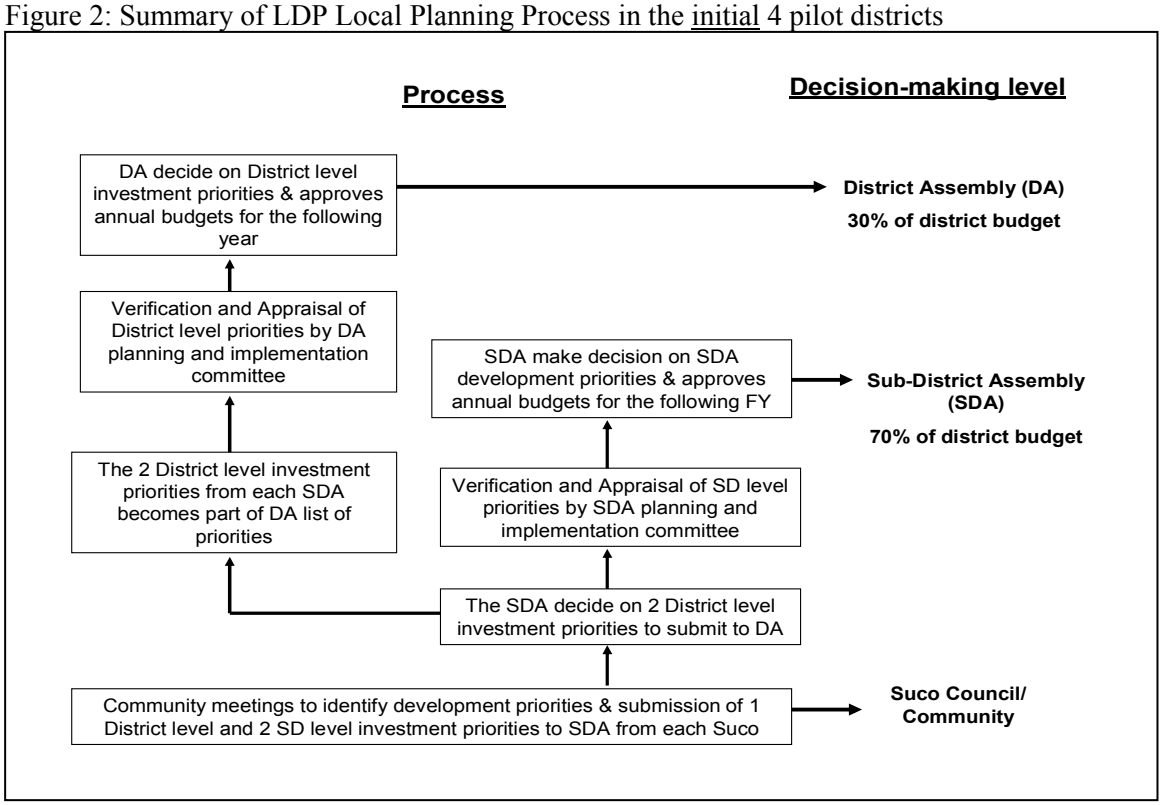
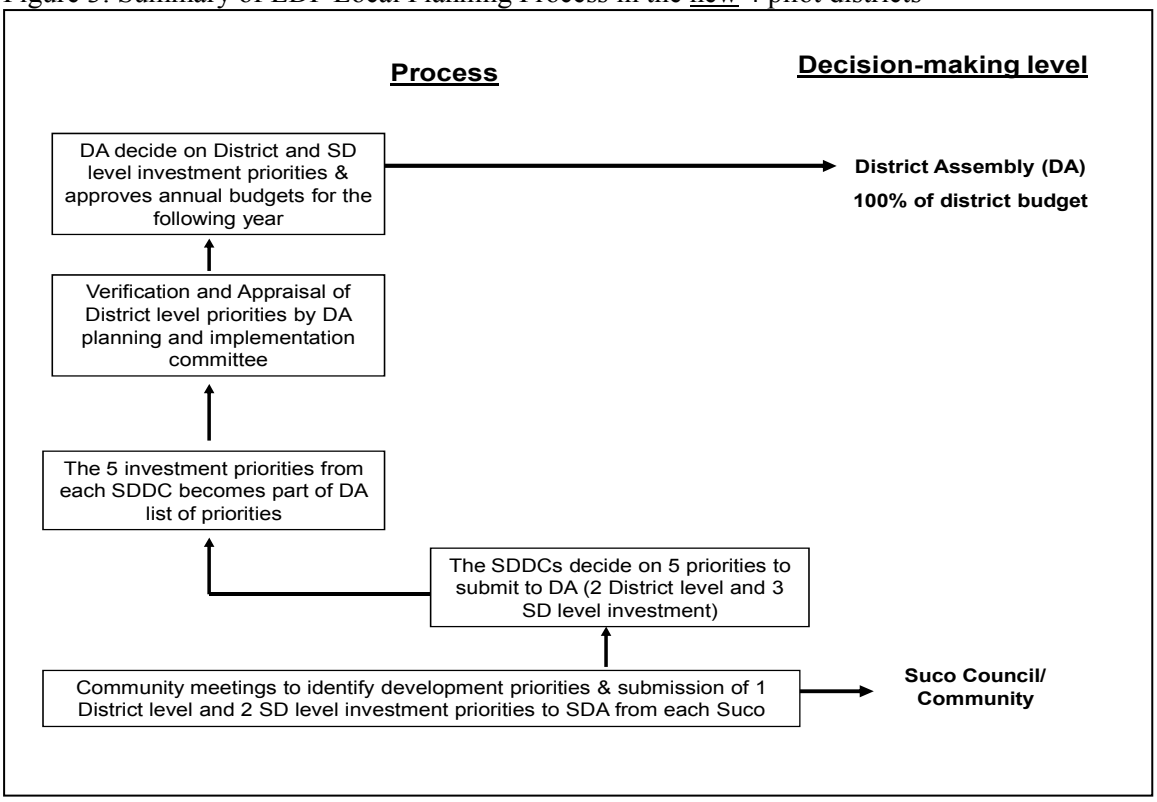


Figure 3: Summary of LDP Local Planning Process in the new 4 pilot districts



In December 2007, the Government approved its state budget for FY 2008, and additional four districts were included in the LDP. Previously the agreement with the Government was that it would provide the recurrent budgets for all districts and the capital grants for Manatuto and Aileu for 2008. The decision to fully fund

both capital and recurrent budgets for all LAs was very much welcomed by LGSP, since it clearly shows the commitment from the Ministry and the Government as a whole. In total, the Government approved US$2,085,000 for the LDF, of which 1,894,000 was for capital investments and the rest was for operational recurrent budget related to planning process, supervision and technical staff. This is a substantial increase from US$ 2.50 to US$ 4 per capita annual allocation. Table 2 provides an overview of the original LDF planning figures for the 2007-8 budgets and the actual approved 2008 budget.

Table 2: New LDF capital and recurrent figures for 8 pilot districts for FY 2008

District	Capital budgets 2008
Bobonaro	$ 330,000
Lautem	$ 230,000
Manatuto	$ 154,000
Aileu	$ 148,000
Ainaro	$ 213,000
Baucau	$ 418,000
Covalima	$ 224,000
Manufahi	$ 177,000
TOTAL	**$ 1,894,000**

1.2.2 Local Planning Process (LPP)

With the increased capital allocations, the LAs which were already approved their annual plans for 2007-8 had to revise their annual plans and budgets for FY 2008. This caused delays in the implementation process since the LAs had to go back to the drawing board and prepare new design and costing before new proposals were included in their annual plan.

Each assembly has established a Planning and Implementation Committee (PIC) as a part of the institutional framework. The PIC is given a responsibility for verification and appraisal in addition to the preparation of basic design and costing of eligible priority proposals during the planning process. Although funds for technical consultants are included in the LA recurrent budgets, a general problem for all PICs is the availability of technical personnel at the Sub-District level and qualified water technicians at both District and Sub-District levels. A common trend is that the funds available for each LA are "pooled" together and technical personnel are recruited at the District level to provide technical support to all PICs, both at District and Sub-District levels. In 2008, 25 technical personnel were recruited for the 8 pilot districts from the LAs' recurrent budget. The role of the PIC is critical for the discussion at the LAs since the draft investment plan meetings are based on the PIC report.[9]

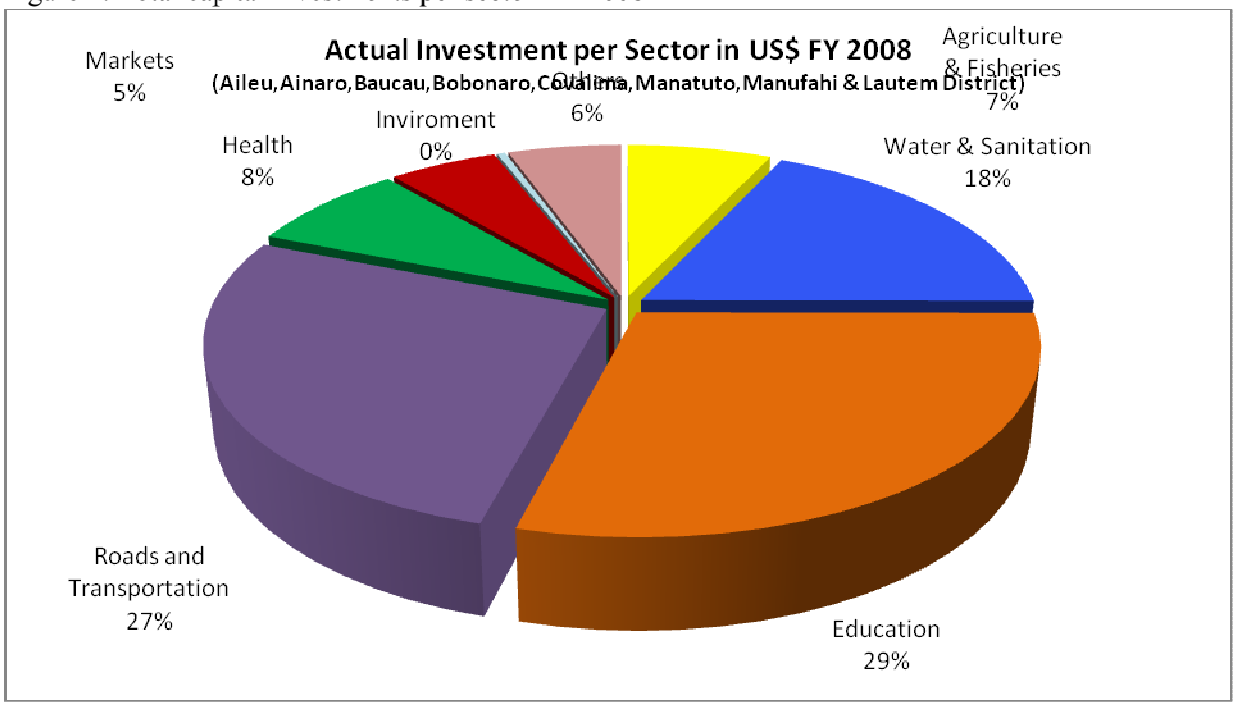
To avoid a "wish-list" scenario, each Suco is only allowed to submit two or three ranked development priorities to be considered for funding in the Sub-District investment plan and one priority for the District investment plan[10]. Originally 171 Sub-District and District investment priorities were received and registered in the 29 LAs for implementation in 2008, they were approved. However, after the completion of procurement process, the LAs approved additional 17 projects with the savings from the procurement process. In total 188 were actually funded by the LDF. The LPP was also designed to allow sector-departments to submit their investment priorities to the LAs. It is important to note that only 54 projects out of the 188 funded were proposed by sector department and the remaining 134 came from the Suco level.

In assessing the total investments per sector allocated for all eight Districts, three main sectors received approximately 75 percent of the total budget: education (29%), roads (27%) and water supply (18%). Below is an overview of the results from the planning process and the final approved annual budgets in 2008:

[9] The PIC report includes an overview of activities at different stages in the planning process and a technical recommendation and justification from the committee. The PIC recommendation consists of a proposed total budget including all capital investments to be debated and voted on in the assembly.

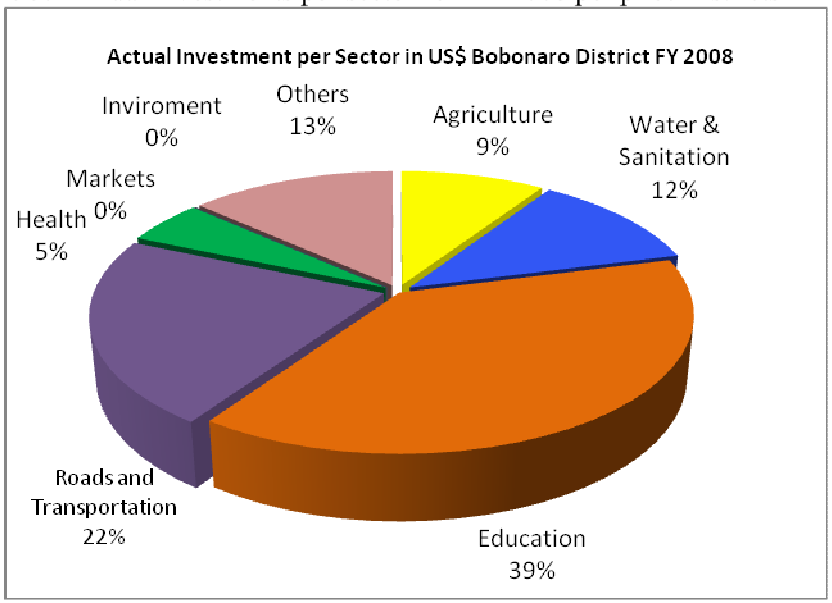
[10] The decision on 2 or 3 proposals was made by the assemblies in their first meeting.

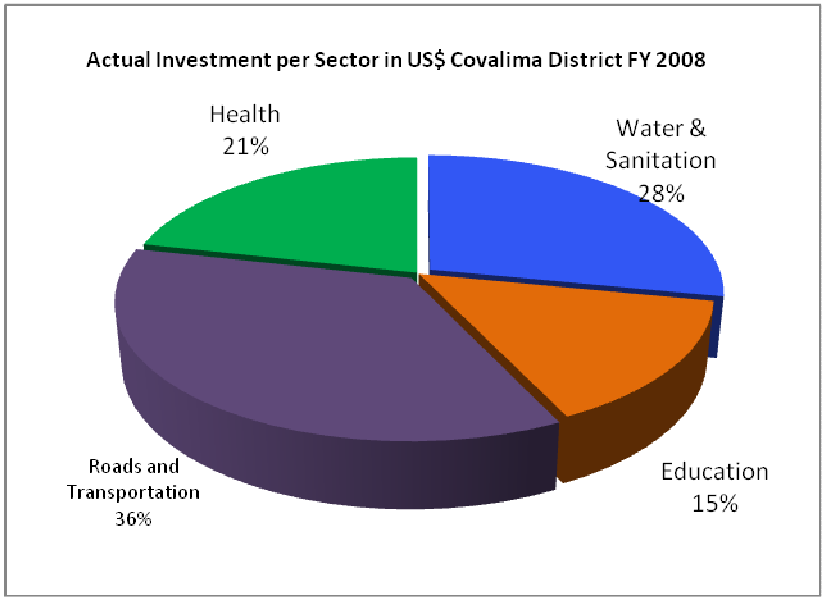
Figure 4: Total capital investments per sector FY 2008

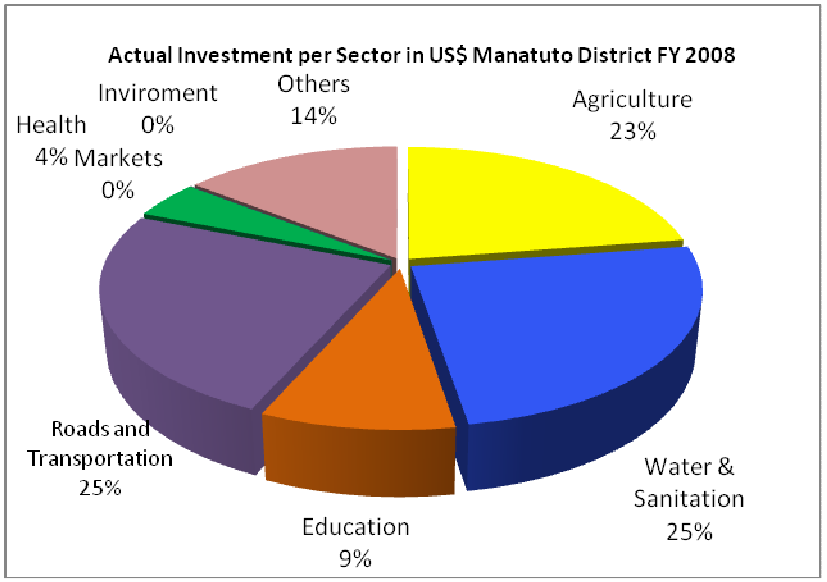


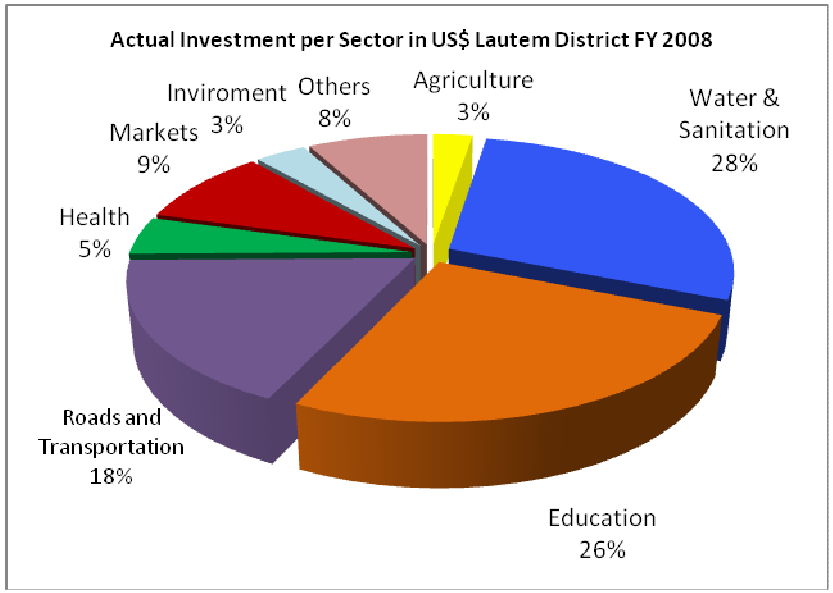
Below is a breakdown per District

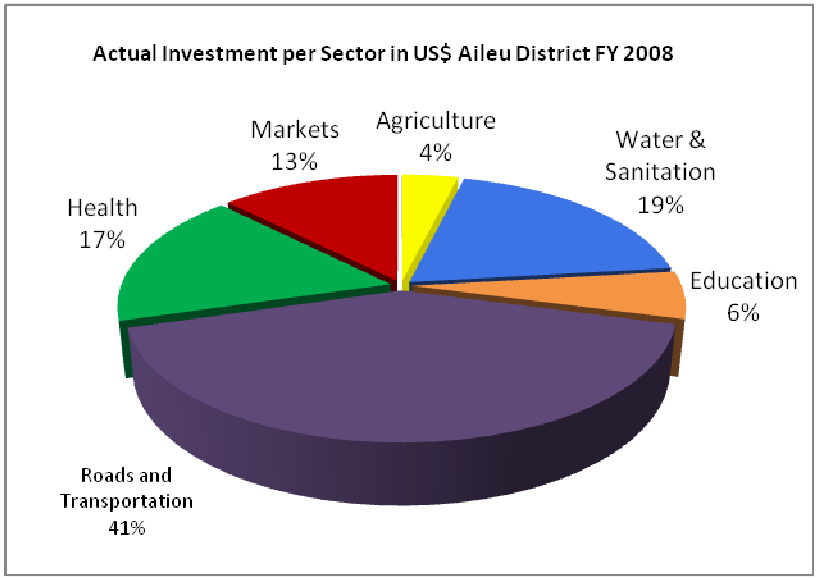
Figure 5: Annual investments per sector for FY 2008 per pilot Districts

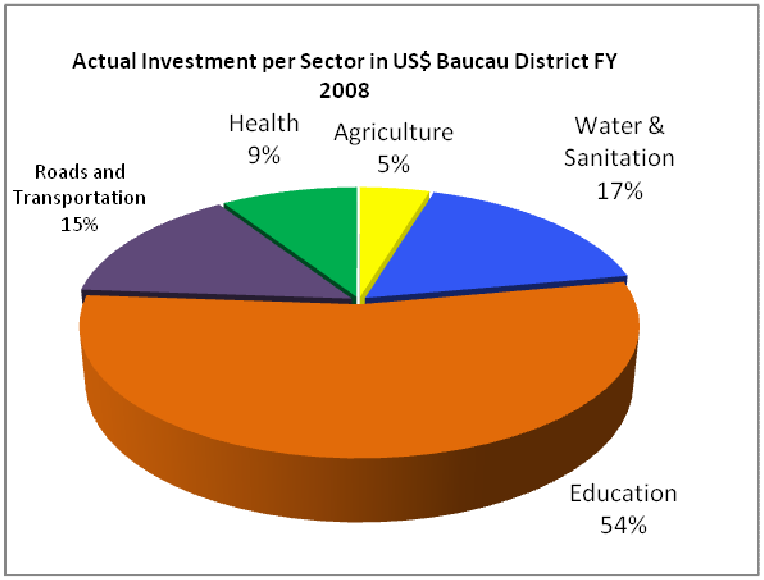


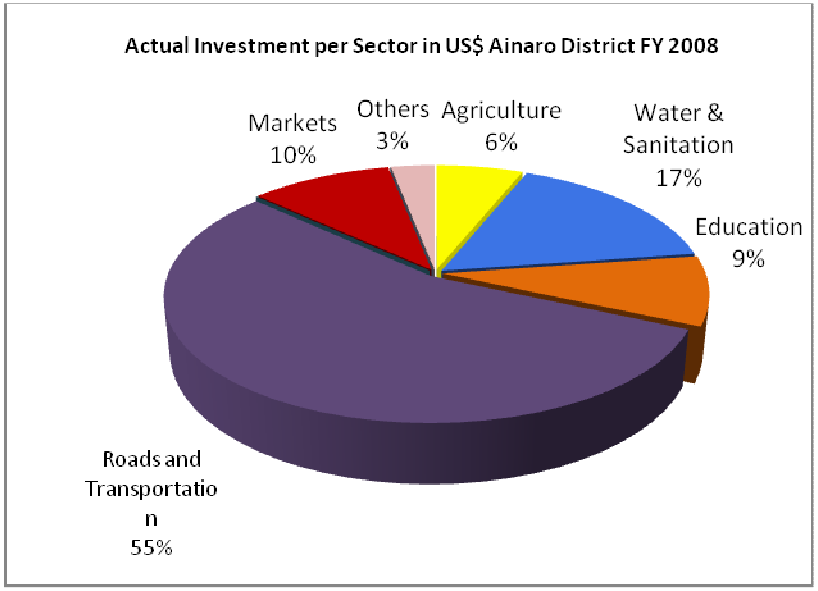


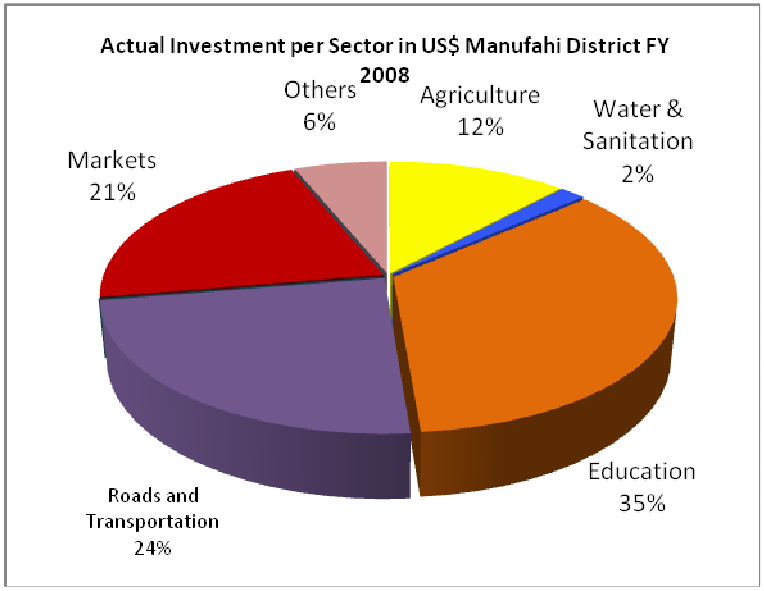





Actual Investment per Sector in US$ Aileu District FY 2008
Markets 13%
Agriculture 4%
Water & Sanitation 19%
Health 17%
Education 6%
Roads and Transportation 41%


Actual Investment per Sector in US$ Baucau District FY 2008
Health 9%
Agriculture 5%
Water & Sanitation 17%
Roads and Transportation 15%
Education 54%


Actual Investment per Sector in US$ Ainaro District FY 2008
Markets 10%
Others 3%
Agriculture 6%
Water & Sanitation 17%
Education 9%
Roads and Transportation 55%


Actual Investment per Sector in US$ Manufahi District FY 2008
Others 6%
Agriculture 12%
Water & Sanitation 2%
Markets 21%
Education 35%
Roads and Transportation 24%

1.2.3 Local Planning Process for FY 2009

The planning process for FY 2009 commenced in July 2008 and ended up with 132 investment projects being approved. However, this figure will change since the original planning figure for FY 2009 used for this planning was US$ 4 per capita as informed to the LAs in January 2008. Unfortunately this was cut down to US$ 3.50 per capita in the last budget discussion within the Ministry. This was a result of general budget constraints and the need to allocate initial funds for four new Municipal Administrative buildings for 2009 in anticipation of the Municipal elections and new local government scheduled toward the end of the year.

This means that the LAs will have to revise their annual budgets and plans in January 2009 taking into consideration the decrease in capital budgets for 2009. The new figures for 2009 per district are as following:

Table 3: Actual allocation of LDF funds for 2009

District	Capital budgets 2008	Capital budgets 2009
Bobonaro	$ 330,000	$ 289,000
Lautem	$ 230,000	$ 202,000
Manatuto	$ 154,000	$ 135,000
Aileu	$ 148,000	$ 130,000
Ainaro	$ 213,000	$ 187,000
Baucau	$ 418,000	$ 366,000
Covalima	$ 224,000	$ 196,000
Manufahi	$ 177,000	$ 155,000
Total	**$ 1,894,000**	**$ 1,660,000**

Figure 6: Planned Investments per sector in 2009

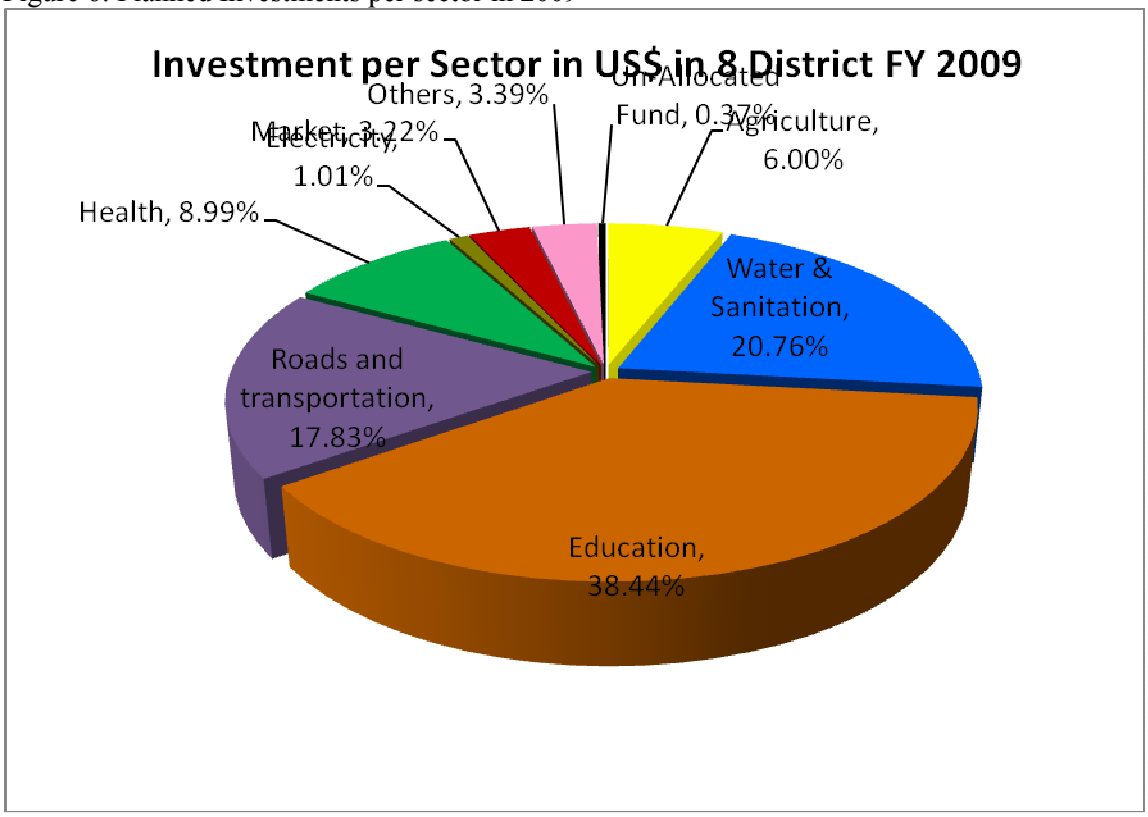
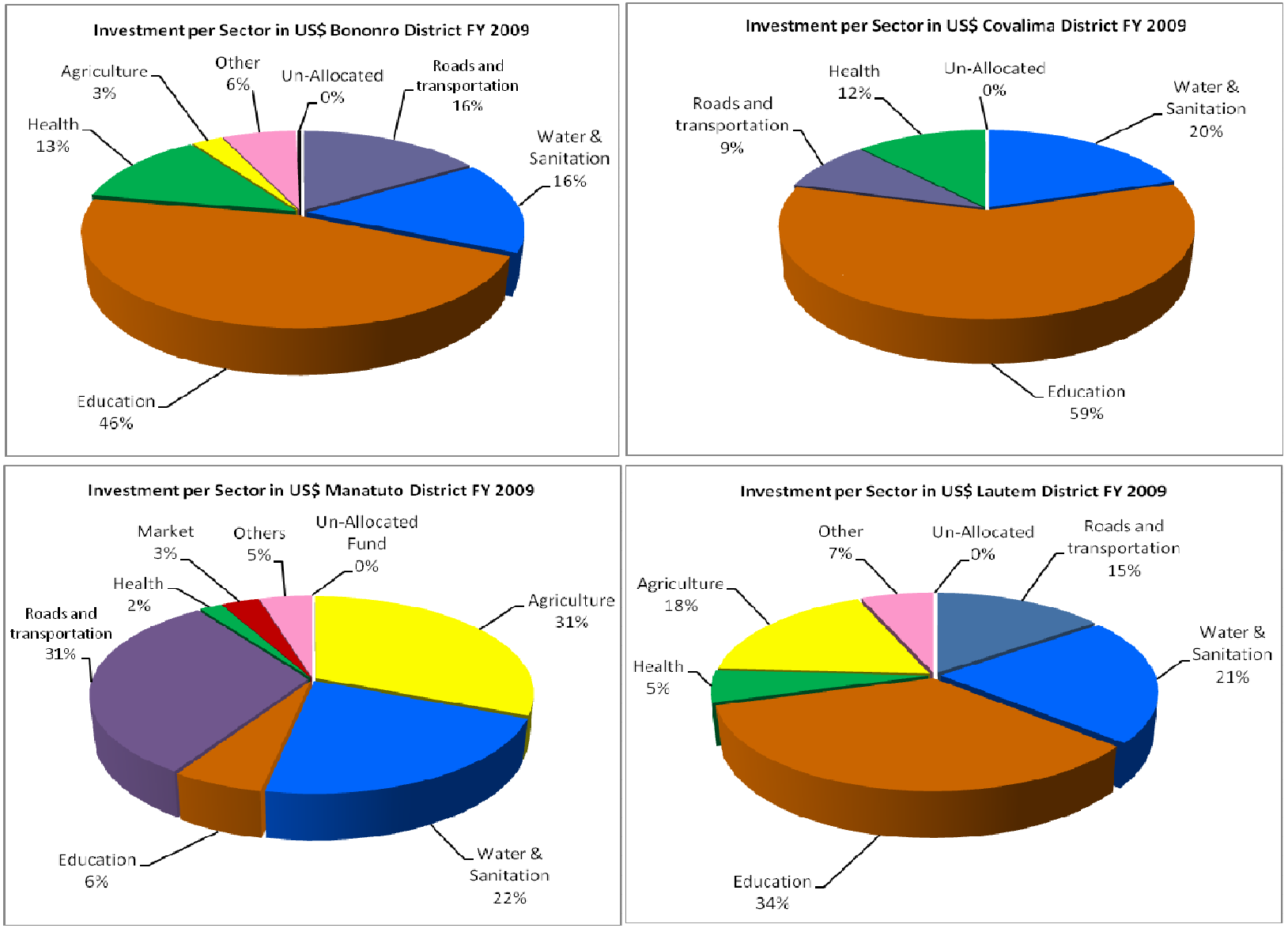
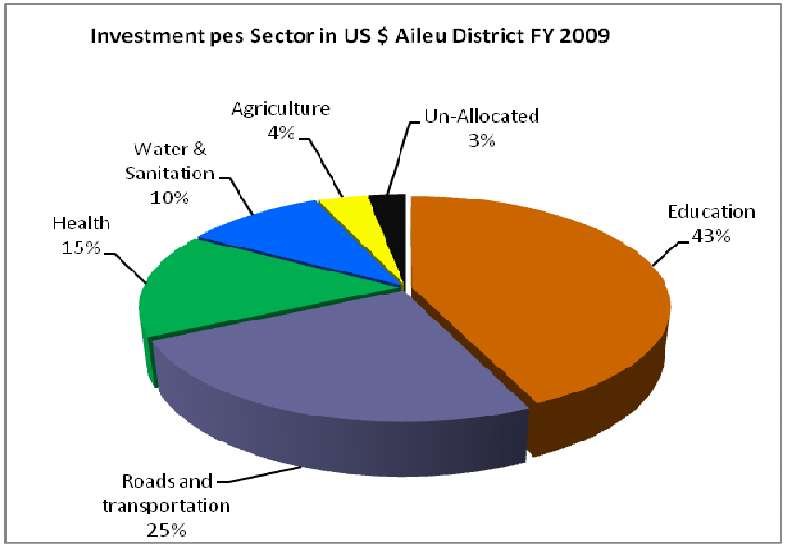
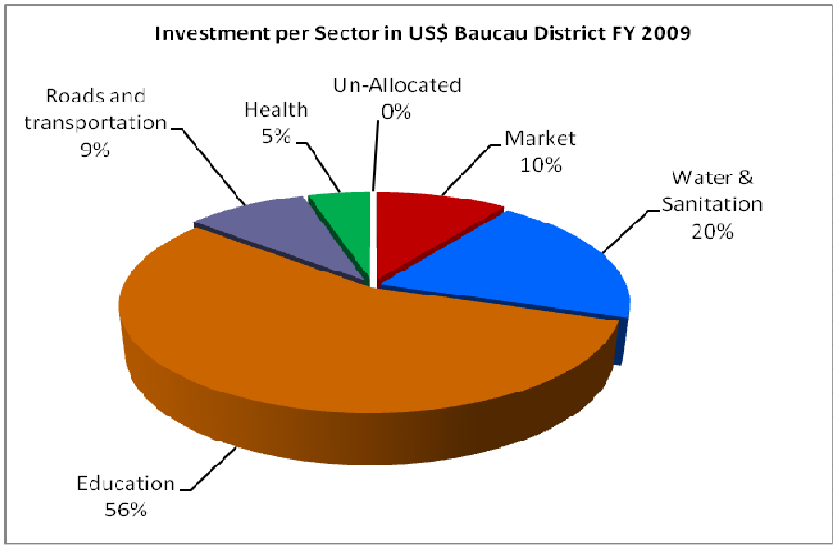
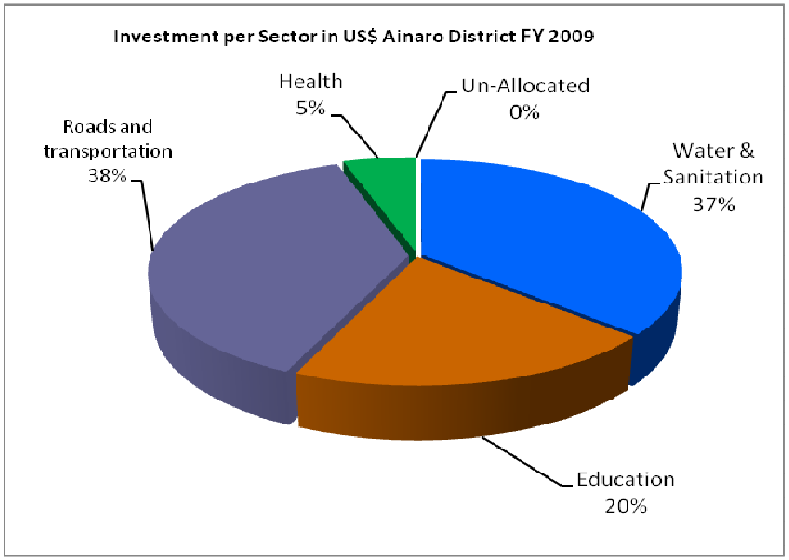


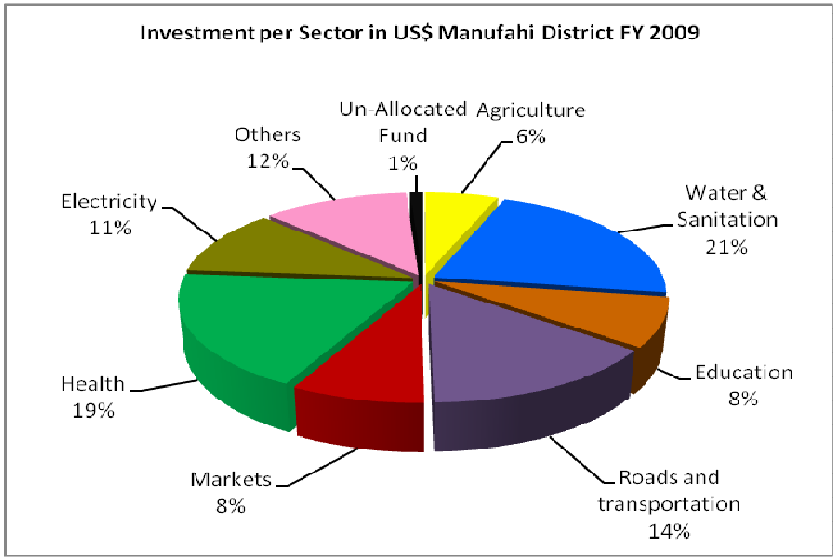
Figure 7: Annual investments per sector for FY 2009 per pilot district




Investment pes Sector in US $ Aileu District FY 2009
Agriculture 4%
Un-Allocated 3%
Water & Sanitation 10%
Education 43%
Health 15%
Roads and transportation 25%


Investment per Sector in US$ Baucau District FY 2009
Roads and transportation 9%
Health 5%
Un-Allocated 0%
Market 10%
Water & Sanitation 20%
Education 56%


Investment per Sector in US$ Ainaro District FY 2009
Health 5%
Un-Allocated 0%
Roads and transportation 38%
Water & Sanitation 37%
Education 20%


Investment per Sector in US$ Manufahi District FY 2009
Un-Allocated Agriculture Fund 6%
Others 12%
Electricity 11%
Water & Sanitation 21%
Education 8%
Health 19%
Markets 8%
Roads and transportation 14%

1.2.4 Overview LDF investments 2005-2009

The results for FY 2009 planning enable it to provide data for sector priorities from eight districts over a period of the programme implementation[11]. The table below indicates the summarized figures for this period and shows the average data for investments during the period of 2005-2009.

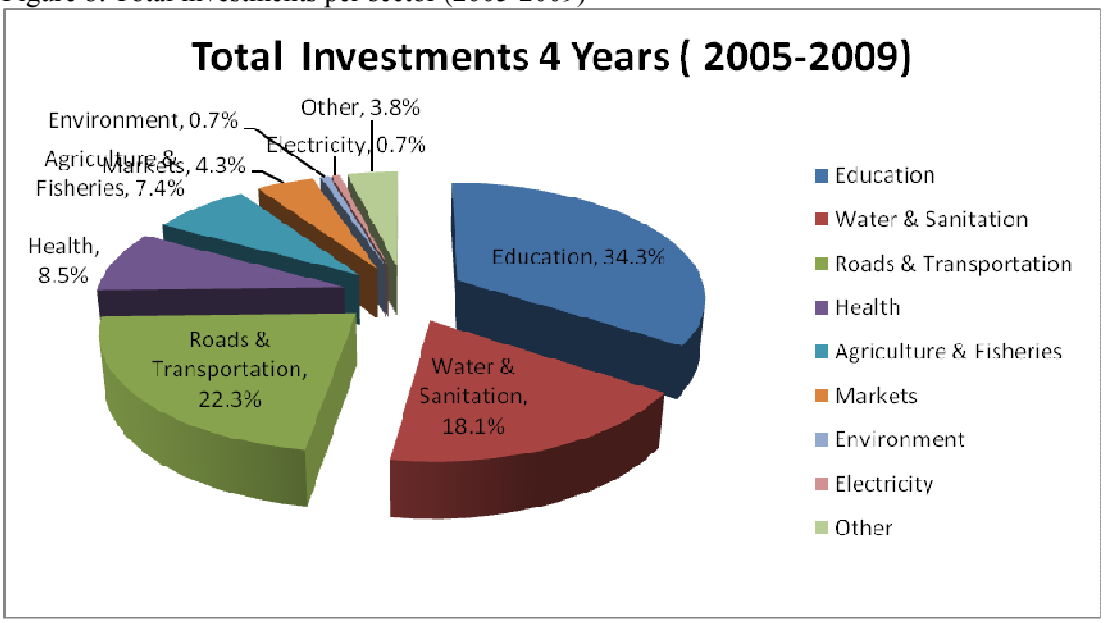
Table 4: Evaluation of four years planning data (2005-2009)

Sector	Total Investments 4 Years (2005-2009)							
	Percent Investments by Sectors			US$ investment per sector			No of projects per sector	Total cost per project $
	Total (%)	DA	SDA	Total $	DA	SDA	Total	Total
Education	34.3%	34%	34.6%	1,464,244	919,682	544,562	84	17,431.47
Water & Sanitation	18.1%	16%	21.3%	773,489	438,946	334,543	110	7,031.72
Roads & Transportation	22.3%	22%	22.0%	951,082	605,728	345,355	96	9,907.11
Health	8.5%	9%	8.4%	362,872	231,254	131,618	32	11,339.75
Agriculture & Fisheries	7.4%	7%	8.2%	317,463	188,363	129,100	37	8,580.09
Markets	4.3%	6%	1.6%	185,705	160,457	25,249	16	1,606.59
Environment	0.7%	1%	0.6%	27,971	17,771	10,200	4	6,992.75
Electricity	0.7%	1%	0.0%	27,848	27,848	-	2	13,924.00
Other	3.8%	4%	3.3%	162,325	109,963	52,362	11	14,756.80
Un-allocated							-	
TOTAL	**100%**	**100%**	**100%**	**4,272,999**	**2,700,011**	**1,572,988**	**392**	**10,901**

The evaluation is based on approved annual plans and budgets. Un-allocated funds have not been included in the analysis

The same figures can be shown in the chart below for easy reference.

Figure 8: Total investments per sector (2005-2009)



[11] Data used is from Bobonaro (4 years), Lautem (3 years), Aileu and Manatuto (2 year), Ainaro, Covalima, Baucau and Manufahi (1 year).

In total, the LDP has invested more than US$ 4 million for 392 projects in the pilot districts over the past four years. This is a considerable amount given the nature of the programme and the minimum programme support staff. Based on these figures one can see that investments in the education sector continues to be a key priority among other sectors, and to date approximately US$ 1.5 million has been invested in this sector.

The cost of projects ranges from US$ 2,000 to US$ 114,000 in 2009, which shows the increase comparing to previous years. On average, the cost per project implemented to date is around US$ 11,000, although the cost varies considerably from district to district, and it has been changed over time as well (see Table 5 below).

Table 5: Average cost per project in eight districts over time

District	Number of Project per year				Average # of project (05-09)	Average cost per Project per year				Average cost per project (05-09)
	2005-6	2006-7	2008	2009		2005-6	2006-7	2008	2009	
Bobonaro	35	25	34	25	30	$5,403	$7,883	$9,677	$13,160	$9,031
Lautem		29	26	25	27		$4,753	$8,846	$9,200	$7,600
Aileu			16	17	17			$8,092	$8,466	$8,279
Manatuto			30	19	25			$5,133	$8,105	$6,619
Ainaro			18	14	16			$11,417	$15,214	$13,316
Baucau			19	9	14			$ 21,767	$46,444	$34,106
Covalima			12	10	11			$18,664	$22,400	$20,532
Manufahi			16	13	15			$11,026	$13,471	$12,249
Average	**35**	**24**	**21**	**17**	**19**	**$5,403**	**$6,318**	**$11,828**	**$17,058**	**$13,966**

The above table shows that the total number of projects per districts decreased while the total cost or allocations per project significantly increased over the past four years of the programme implementation. Of course the number of projects is linked to total funds available but the trend is less projects and higher costs. The average cost of projects in 2005-6 was US$ 5,400 while it is expected to be US$ 13,966 in 2009, which is an increase of around 158 percent per project.

It would be safe to say that this is the result of lessons learned over four planning and implementation cycles where smaller but more numerous investments have generally been seen as having less impact on overall development. It is encouraging to see that there is a tendency to focus on larger priority projects, instead of dividing the funds into smaller projects to "satisfy" more Sucos.

ACTIVITY 1.3: Support to Local Procurement Processes

The amended Government procurement law in 2006 allows "decentralisation" of procurement to individual *central* Ministries for packages valued up to US$ 100,000. This law has been used to facilitate local-level procurement where the Ministry has delegated authority to the LAs for procurement of capital infrastructure. Prior to the LDP pilot there was no legal or regulatory framework in place for local-level procurement and contract management in Timor-Leste. The pilot procurement regulation at local level is a simplified version of the national procurement law, but is based on all central procurement forms and contract formats in order to ensure a streamlined system. The aim was to design and establish sound procedures for local contracting of services and works along the lines of the central system in order to allow a smooth transition in the case of future provisions for decentralised procurement.

1.3.1 Local Tender Boards (LTB), monetary thresholds and methods of procurement

Ministerial Directive No. 8/2005 – MSA Procurement Regulation states the establishment of the Planning and Implementation Committees (PICs) as the procuring entities for local assemblies at each level. In addition, District and Sub-District Local Tender Boards (D-TB and SD-TB) were created to ensure a transparent and accountable process for the awarding of contracts. The LTBs are composed of three technical representatives from the government and two voting members from the Assemblies. The Directive also indicates that representatives from the beneficial community can participate in LTB meetings as observers. The regulation only allows direct local procurement and contract management for the procurement of public goods, services and works, which is valued up to US$ 10,000 at the District level and up to US$ 5,000 at the Sub-District level.[12] Any procurement above these ceilings must be referred to the next level and all contracts above US$ 10,000 have to be confirmed by a centrally-established tender board. Although this limits the independence of the local procurement process, four critical factors were incorporated in the new regulation to ensure local ownership of the process; 1) the procuring entity remains at the local-level even for procurement above US$ 10,000; 2) local tendering; 3) local representation in the national tender boards; and 4) responsibility for local contract management and supervision remains at the local level. Thus, the local assemblies still control the process.

The main principle in procuring goods, services and works in relation to the LDF is open tendering.[13] This is particularly important to ensure transparent and cost effective processes and results. National tendering documents were adopted to streamline the national and local level processes. As for national procurement, the regulation requires that only pre-qualified contractors can participate in the bidding process.[14] The decision to establish a local process which used documentation based on national norms has meant that the procurement process for "Small Works" [15] is rather complicated and demands substantial bureaucratic input for the procuring entities. However, from a long-term perspective (where these types of requirements will be necessary for local-level procurement), the more sophisticated approach was selected vis-à-vis a simplified method for the pilot.

1.3.2 Execution of local level procurement process FY 2008

There has been a common trend that the procurement process always starts later than originally planned and 2008 was not an exception. However, all 188 planned projects were successfully tendered out in 2008 and contracts signed before the end of the year. In general no major mistakes were found this year in the procurement process and it seems that the local tender boards and the District/Sub-District Administrations have understood the process.

One issue that was previously raised but not followed up on is Community Contracting modality. In 2008 a new regulation was written and approved by the Ministry to facilitate this type of contracting modality for the first time under the LDP. Twelve (12) projects were refused by contractors as a result of the project location and lack of road access which left community contracting as the only possible modality. The twelve projects are completed, but the project was not able to independently review and evaluate the process in terms of quality and transparency. This will be done in 2009.

The table below provides information on how the local procurement process "panned out" in the eight pilot districts in 2009.

Table 6: Aspects of local procurement in all districts FY 2008

[12] This monetary threshold was based on the first draft of the national procurement law.
[13] In theory "open tendering" is based on RFQ documents; however to reduce corruption and the possibility of limited selection of contractors by the procuring entity the RFQ is an open process and publicly advertised.
[14] Pre-qualification is each year prepared by the National Public Works Department, and is an official list of pre-qualified contractors.
[15] Small works are defined as any Works below US$ 50,000.

Various aspects of procurement	Aileu	Ainaro	Baucau	Bobonaro	Covalima	Manatuto	Manufahi	Lautem
Total initially estimated value of projects (excluding local contributions, based on VAT/PIC estimates)	$129,476	$205,500	$413,576	$329,021	$223,973	$154,000	$176,413	$230,000
Revised estimated value of projects (excluding local contributions, based on contracts)	$127,790	$ 200,556	$413,576	$327,014	$222,442	$150,931	$176,413	$225,845
Final contracted value of projects *** (excluding local contributions, based on contracts)	$146,314	$212,946	$418,000	$330,000	$224,000	$154,000	$177,000	$230,000
Total number of projects included in investment plans	16	18	19	34	12	30	16	26
Revised number of projects tendered (after revised estimates)**	18	18	21	39	13	34	17	28
Number of projects "cancelled" after revised estimation process for tendering	0	1	0	1	0	0	0	0
Actual number of project implemented	18	17	21	38	13	34	17	28
Total savings after procurement in percent	12%	6%	3%	8%	7%	9%	5%	3%
Total savings in US$*	$18,321	$12,699	$14,281	$26,819	$15,913	$13,703	$9,034	$7,610
Total Received bids	45	69	62	102	34	82	65	84
Total Accepted bids	30	35	36	68	21	56	34	65

*Savings are to be re-allocated to new projects in 2008
** Two projects were awarded by using comparative method of procurement since the total budget was less than $1,000
*** Including Total savings which were spend on new projects in a second round of procurements

From Table 6 it can be seen that the final estimates prepared before the tender process were an average of 9% more than the final contract prices. This result is within the 10% scale that was given in terms of valid bids and is relatively good given that local technical capacities (for initial design and costing) are supposed to be limited.

The tender process for the 188 locally-procured projects yielded "savings" of about US$ 118,000 which corresponds to a 6 % saving on the total budget (approximately the same as last year), attesting to the efficiencies that can be generated through competitive bidding processes. It is important to note that all locally-procured projects were contracted out to a wide range of local contractors –not to Dili-based contractors, and with few contractors being awarded more than one contract. This was almost certainly due to the relatively small size of the projects – but does indicate that (a) there is not a scarcity of local contractors and (b) the Assemblies are injecting capital into the local economy which thereby contributes to local job creation in the process.

1.3.3 Contract management

In accordance with the procurement regulations, all contracts related to the LDP are managed at local level; in total 188 contracts were handled by the LAs in 2008. The table below shows an overview of a status of project implementation:

Table 7: Overview of project implementation in 2008[16]

No	Name of district	Total projects	# project completed	# project still ongoing	Cancelled projects	% progress per district
1	Aileu	18	10	8		56%
2	Ainaro	18	15	3		83%
3	Baucau	21	5	16		24%
4	Bobonaro	39	33	5	1	85%
5	Covalima	13	6	7		46%
6	Manatuto	34	30	4		88%
7	Manufahi	17	9	7	1	53%
8	Lautem	28	28	0		100%
TOTAL		**188**	**136**	**50**	**2**	**72%**

According to the table, 136 out of 188 projects – equivalent to 72% - were completed by the end of January 2009, while 50 projects were still ongoing. It is clear from the table that Lautem have done extremely well and completed all contracts by the end of FY 2008, while Baucau is behind with only 5 out of 21 projects completed. In case of Baucau there are no real delays in implementation as such but the number of projects approved is much larger in size than in other districts (average cost US$ 34,000) and this seems to be the main reason for delay in completing the projects. Overall, considering the increase in funds allocated to all districts in FY 2008 and that this is the first year of implementation for four new districts, the results are quite acceptable. Yet there is still room for improvements and the Ministry and the project will continue to support the districts in 2009 onward.

ACTIVITY 1.4: Cross District Visits

Following on the 2008 two-day national workshop focusing on exchanging experiences between the assemblies in the four pilot districts – cross district visits were implemented this year. The host districts were Bobonaro and Lautem considering that they are the longest serving pilot districts.

In total 32 women out of 147 Local Assembly members participated in this event. From this exercise, the LA members learned mainly the followings:

1. Local Planning Process: They learned how to facilitate a good planning process, which involves more active participation from local community. For example, Suco with large numbers of community need a consultation process in hamlet (Aldeia) level including women, youth and other vulnerable groups. From Bobonaro experience, the elected member learned on how to properly use technical inputs from sectors in decision making process, yet without letting the sectors (i.e. executive members) dominate the LAs discussion. From Lospalos the Assemblies learned that there should be good collaboration between relevant sectors and technical staff in designing and costing analysis that came up with good project design and reasonable costing, though some of the technical staffs have no technical background in required areas. In Lautem the sectors also provided transportation for LDP process, especially in supporting technical staff activities.

2. Procurement process: They learned from their experiences of the procurement advertisement that 2 weeks is not sufficient between the announcement and the closing dates. These two weeks actually included pre-bid meeting, site visit and bid submission, which eventually resulted in incomplete documents and unreasonable costing.

3. Project implementation: In Bobonaro, the Assembly approved a proposal of primary school

[16] Based on the data collected as of 23 January 2009

construction in Memo village, Maliana. The specification was 21 metres*8 metres and the cost estimate was US$ 17,000. This project eventually proved that even with limited funds the primary school built was in good quality, since proper the construction design and costing were done based on good technical analysis by technical staff and past experience from some elected members.

ACTIVITY 1.5: LDP Review and Lessons Learned Mission

Lessons from the LDP-pilot and practical experiences have been incorporated into the overall policy process since the very beginning of technical support to the Government. This combination of piloting and technical support has always been a strong feature of the LDP/LGSP programmes. In an attempt to capture these lessons, and with the view of way forward, a programme review mission was fielded in August 2008. In particular the mission aimed to do a stocktaking of LDP since its beginning until present and identify technical tools used in the pilot PEM system that could be continued, approved or perhaps not recommended to be continued at all. The findings were very positive and encouraging in terms of positioning and achievements to date and the report provided some useful recommendations to the programme.

OUTPUT 2: POLICY & LEGISLATION

"Support is provided to GoTL for the establishment of an appropriate and comprehensive institutional, legal, and regulatory framework for local government"

Although the LDP-pilot component is intended to make a direct contribution to poverty reduction in the areas within which it operates, its primary justification lies in its potential – as a pilot – to inform national decentralization policy processes. And this is doubly important given that GoTL (led by MSATM, with UNCDF/UNDP assistance) is currently in the process of clarifying local government options and reforms. The strategic move to merge LDP and LGOS in January 2007 ensured a direct link between the two objectives of piloting and providing technical advice on the decentralization process.

The former Government took an important step in October 2006 by approving a Policy on Decentralization and Local Government. However, with the change of the Government in August 2007 the previously approved policy was changed and a new Policy framework emerged in March 2008. The major shift in policy position was related to which level of sub-nation government should be the basis for the new system; previous government focused on sub-district level as point of departure while the new government decided to use the present Districts as new Municipal units. The positive outcome of this process is that the decision of decentralisation taken by the previous Government was confirmed by the new Government, which provides a solid basis for the reform process. The new Government also confirmed the solid position of LGSP as the principal programme supporting the decentralization process.

As a result of the work done in 2008 – three pieces of legislation have been prepared:

- Law on Administrative and Territorial Division
- Law on Local Government
- Law on Municipal Elections (LGSP only provide input to this legislation)

By the time of writing this report[17] all three laws have been passed in the Council of Ministers and submitted to the National Parliament for further discussions and final approval.

ACTIVITY 2.1: Law on Local Government

The approval of policy orientation guidelines on decentralisation and local government provided Ministry of State Administration and Territorial Management (MSATM) with the necessary mandate to lead and coordinate the work on decentralisation towards the other Ministries. In compliance with the policy, the MSATM started its leading and coordinating role by re-establishing Ministerial Technical Working Groups (MTWGs). In total MTWG (10) were established by April, though Agriculture TWG did not really function. The objective of this work was to provide technical input to the various section of the law on Local Government and get as a whole Government buy-in to this process, instead of MSATM drafting it separately.

Each MTWG was provided with a TOR and a methodology paper to guide their work in preparing a brief functional analysis of their Ministry. Each Ministry was to prepare a final report by June and report back in a national workshop. The MSATM as well as the Ministry of Finance were attached with separate but interlinked Terms of References and each of them had different assignments from the other eight MTWGs. The work and commitment of the MTWG varied significantly which can be seen from their final reports.

Although the quality of the reports can be discussed, the importance of this process should not be undermined. As a result of this exercise each Ministry has now gone through a process of internal discussions and reflection in terms of what and how to decentralize certain functions within their Ministries to the new municipal level. This is an important benchmark since such discussion had not taken place prior to this internally in each Ministry.

A lesson from this exercise is the need for additional technical support to each line ministry in assessing and to provide good advice on defining distribution of functional assignments between levels. It is also important to continue the work of the MTWG to keep the discussion alive within each Ministry and to keep decentralization on the agenda.

2.1.1 National Workshop on Decentralisation

As the culmination of the Ministerial Technical Working Groups' study and analysis of functions to be decentralised to the future local government, a national workshop was held on 31 July, and a total of 150 participants attended the workshop including the Prime Minister and most of the Council of Ministers. The objective was to provide an opportunity to each Ministry to report back to the Prime Minister and the CoM on the results of their individual TWG findings. All ten (10) Ministries, though one of them did not submit its final report, participated and reported on their findings during the workshop.

The workshop itself provided useful inputs from the Ministries in terms of which basic functions could immediately or gradually be decentralised to municipal level from each sector ministry. However, it became also clear that this work will need to continue and will take time as the Ministries come to terms with what this will entail in practice.

2.1.2 Technical Support Missions to TWGs

Two TWGs were singled out for special support and prioritisation; Ministry of Finance (MoF) and

[17] February 2009

MSATM, since the output of these two groups would form the basis for the laws. The objective was to agree on legislative proposals or "white papers" before drafting legislation as laid out in DSF I strategy. This process received positive feedback and allowed important issues to be thoroughly discussed over a period of several months.

In support to MoF, two consecutive fiscal decentralisation missions were fielded by two TAs funded by LGSP and WB. The objective was to work with the MoF TWG in reviewing possible options for a decentralised fiscal framework. There were two outputs from this exercise; TWG report from MoF and an approved chapter on municipal finances in the Law on Local Government.

MSATM TWG also received special attention since their task was to discuss and agree on a large spectrum of issues related to Municipal structures, staffing, representation, municipal elections, institutional re-organization of MSATM, and the special status of Oecusse and Autauro among others. In relation to this, several meetings and a workshop were held between March and June. It is worth mentioning that the MSATM TWG was chaired by the Minister himself which of course has been important in terms of the decision-making process.

2.1.3 Legislative proposal and drafting of LG legislation

MSATM and eight (8) other TWGs provided their inputs to the law on Local Government in July/August. The only Ministry that could not submit was the Ministry of Agriculture and Fisheries. Although technical quality and required information in the reports vary a great deal depending on each TWG, we believe that the exercise of the TWG was very useful and important in order to ensure that decentralization is on the agenda of the Sector Ministries and that internal discussions actually occur. It is expected that each Ministry will continue the discussion after the LG law has been approved by the National Parliament (NP), and many issues related to functional assignments will further be defined in subsidiary legislation to be incorporated at a later stage. A very successful TA mission prepared the legislative proposal in August, and the legal advisor from the Ministry drafted the final law.

The final draft was submitted to the CoM in early September. The first and second presentations received very positive feedback. Inputs and suggestions from the CoM were all received positively by MSATM and changes have also been made to reflect the issues in the law. By the time of writing this report[18] the law has been approved by the CoM and submitted to the National Parliament. The aim is to hold elections in four Districts by the end of 2009.

It is expected that subsidiary legislations identified in DSF 2 regarding implementation of this basic and essential law will be drafted and finalised during and after the law is discusses at the NP. The drafting process will require close consultation between MSATM and other line-ministries to ensure that legal framework is in place prior to the actual implementation.

ACTIVITY 2.2: Law on Territorial and Administrative Division

A technical support mission was fielded in June to work with MSATM for preparing a legislative proposal on Territorial and Administrative Division based on the approved policy. Following the decision to keep 13 districts as future municipalities, the drafting of this law was much less controversial than originally foreseen. The key issue that is worth mentioning for future reference, and perhaps topic for discussion, is that neither Sucos nor Aldeias are mentioned as territorial units in this law. This decision was based on the assumption that if Sucos and Aldeias were included it will become a matter for the NP in the future, while keeping it outside this law indicated that this is not part of the territorial organization of Timor-Leste (which is the sole mandate of NP) and therefore a matter for the Government.

[18] February 2009

During the mission, the Ministry requested the consultants to prepare a draft law proposal instead considering the timeframe for approval. The mission submitted a draft proposal and a mission report which had also been revised by the consultants based on comments received from the Ministry and LGSP. The draft law was discussed by the Council of Directors within MSATM and was also submitted to the Council of Ministers. The law proposal was discussed by the CoM and no major changes have been made since it was in accordance with the policy to keep thirteen (13) districts as building-block for municipalities' establishment. However, this law proposal is pending other laws to be endorsed simultaneously prior to the submission to the National Parliament.

This mission suggested that a new "Territorial Demarcation" programme should be prepared by MSATM or as an extension component of LGSP. The law itself is not sufficient in the long term to conclude the work in regards to internal border issues in Timor-Leste and there is a need to finally draw and agree on borders between Sucos, Sub-Districts and Districts or future Municipalities. This should be done in close coordination with Ministry of Justice, but if the law on Territorial and Administrative Division is approved it will be the mandate of MSATM to lead the technical work on this issue.

ACTIVITY 2.3: Policy consultation

The Government's new Policy Orientation Guidelines on Decentralisation and Local Government was socialised in July 2008. The socialisation of information was focused at Districts level and aimed to inform communities through their leaders on the changes in the new decentralization and local government policy. The Ministry with the support from LGSP concluded the socialisations in five (5) districts while the remaining Districts socialization was held simultaneously with the visit by the Mayor of Torres Novas Municipality in Portugal. During these joint consultations, a question on the idea of establishing Preparatory Commission (PC) was also raised by the Portuguese Mayor. It is now decided that District-based PCs and one national PC will be established to support the preparations of the reform, and a TOR was submitted to the CoM for approval. This is in line with previous decisions made by the CoM. The establishment of these PCs is also pending approval of local government legislation.

The second round of consultations was held in November and December on the content of the draft laws proposals. The objective was to involve the population of 13 districts in the preparatory processes through information sharing and discussion, so that participants could provide their ideas, suggestion and inputs. Participants of the consultation were consisted of District and Sub District Administrators, government staff at these two units, Suco Chiefs, religious leaders, political parties and intellectuals. Thirteen (13) meetings were held throughout the country with participation of 764 people.

Two key recommendations from the consultations were included in the revised version of the law: i) a structural relation or direct linkage between Sucos and the municipal government; ii) direct election for mayor, election is held separately between the municipal assembly and the mayor.

ACTIVITY2.4: Municipal Electoral Law

In parallel to drafting of Law on Local Government, STAE (Technical Secretariat for Electoral Administration) completed a draft Law for Municipal Elections with the assistance of UN/UNDP Electoral Support Project. This law completed the fundamental framework for the Local Government Reform. It is expected that subsidiary legislation will be drafted when the law is submitted to the NP and in time for municipal elections late-2009.

ACTIVITY 2.5: Drafting of Decentralisation Strategic Framework Part 2

As a strategy for implementing all activities related preparation of national policy and legal instruments, Decentralization Strategic Framework (DSF) Part 1 was drafted and approved by the CoM. The DSF 1 was instrumental for the Ministry to work together with the other sector ministries and to keep a tight time schedule on track during implementation of the identified activities. It was therefore decided that a DSF Part 2 should be prepared to ensure identification of new activities and an agreement by CoM on the new action plan. A technical mission was brought in August 2008 to assist MSATM in the DSF Part 2 drafting process.

The DSF 2 was discussed and approved by the Council of Directors (COD) in MSATM in August/September and was finally approved by the CoM in December. In total, 57 separate but interlinked activities have been identified to be implemented as part of the Local Government reform process after three proposed laws on local government establishment are passed by the NP.

ACTIVITY 2.6: Study tour to Indonesia

As part of the preparation process for the implementation of decentralisation and local government reform to be commenced in 2009, a study tour to Indonesia was conducted in November and early December with the objective to learn from Indonesia's experience. Three locations were identified and the 27 participants consisted of members from all Ministries TWG and three District Administrators.

Indonesia was an interested location for a study tour since the participants were able to understand the context, changes and terms based on their previous experience with the Indonesian public administration. A full report is available separately to this annual report.

ACTIVITY 2.7: Establishment of DN-DLOT

In April 2008, MSATM restructured its organisation, and the long awaited National Directorate for Local Development and Territorial Management (DN-DLOT) was finally established. This newly established Directorate has been very instrumental in terms of the work of policy framework toward decentralisation, as well as other components under LGSP. The new Directorate is headed by the Director, Mr. Miguel Perreira de Carvalho, with nine (9) staff at level four or above had been recruited for strengthening the Directorate.

LGSP is now housed within this Directorate and has merged with the Government officials. Planning and implementation of all activities described in LGSP annual work plan has been carried out in collaborative manner. This is a great development and it is safe to say that LGSP and the Government LDP pilot are now fully integrated within the Ministry.

OUTPUT 3: SUPPORT TO IMPLEMENTATIO OF LG REFORM

"Support is provided to GoTL for the implementation of local government reforms"

The Communications Unit in the Ministry of State Administration and Territorial Management was established in 2007, but has increased activities supporting the decentralization reforms in 2008. A communications strategy for targeted outreach and civic education was prepared and approved in 2008

with its main objectives to raise the profile of existing activities in the preparation for decentralization reforms, and also prepare for broader civic education campaigns that will need to commence once the laws on local government have been approved by National Parliament.

ACTIVITY 3.1: Production of social communication materials

In 2008, LGSP started the implementation of a communications strategy for the decentralization process. The MSATM Minister approved the communications strategy on 6 June 2008, and this strategy guides the communication initiatives for the Ministry and LGSP and ensures that communication across all activities remains consistent. Communications activities for 2008 were based on this overall strategy, which includes branding, basic messages, and specific communications activities.

The LGSP Communications team has provided extensive public information about LGSP and the decentralization process. One of the major targets of any information campaign is increased coverage within the media, and the Communications Unit has increased cooperation with the media to enhance coverage. Coordinating with all major local media outlets, a contact list for all reporters and journalists working on governance issues, local reports, and district-specific beats have been contacted and the work of the Assemblies discussed with them. A contact list of all these reporters has been assembled in October, and it has been agreed that they will be contacted and informed about all Assembly activities and ensure continued coverage. In addition, the Communications Unit began discussions with two media outlets about embedding journalists with LGSP and Government teams travelling to the districts for LDP activities. Journalists from local newspapers travelled with LDP staff to cover the district cross visits in November.

Media releases and organizing media coverage of Ministry and LGSP efforts is also a central part of the communications strategy. In January, five media outlets covered the 2008 Announcement of the Government's Local Development Fund (LDF) allocation, and in February a full-page spread was published in the Diario National newspaper about the approval of the Government's policy orientation guidelines on decentralization. On 7 April, coverage was organized for a meeting with the NGO Forum and again for the Interministerial Technical Working Group on 18 June. The communications contribution for the national workshop on 31 July included organizing press coverage, writing and distributing a press release, preparing and printing invitations, a banner, name cards, table tents, the conference schedule and information folders for participants. Upon request of a local news outlet, a fact sheet on the activities of Manatuto district as part of the Local Development Programme was produced and released. Media coverage was organized for the launch of the website on October 10, and an additional media release for the visit of the delegation from Laos. A press release on the presentation of the DN-DLOT Director in Seoul, Korea was released on 14 October and a media release on the government's consultations on the local governance laws was issued on 11 November.

In addition to organizing media coverage for Ministry and LGSP activities, the Communications Unit also produces communications materials to support information dissemination about decentralization issues. In 2008, the Communications unit has begun the production and distribution of the new monthly bulletin on local governance, with the first eleven editions produced in both English and Tetun, and the final edition currently being drafted for final production at the end of December. The monthly bulletin is produced with a target audience of the Local Assemblies and Suco Councils and is distributed across the country. Starting in October 2008, production of the bulletin increased due to cooperation with the NGO Forum, which agreed to distribute the bulletin in 1,000 copies to their local NGO partners across the country.

The Communications team has also produced a bimonthly radio civic education program called 'Developing with Decentralization.' An agreement with RTL for co-production and broadcasting of this civic education program was signed and the inaugural edition of the program aired in February. An agreement was signed with Radio Rakambia in June for the distribution and broadcasting of the civic

education program on 11 community radio stations across the country. To date, six editions of the radio program have been broadcasted.

Fact sheets on the decentralization process, LGSP and the LDP have been produced and distributed by the Communications Unit. A LDP informational booklet was produced in the second quarter in Tetun and English describing the local planning and implementation of community-led development initiatives in LDP. An informational pamphlet on the LGSP program has been approved, and was printed in July. Two additional fact sheets have been produced for the legislation drafting process. One fact sheet was produced for the Ministry to use during socialization of the new policy on local government and decentralization in July, and an additional fact sheet summarizing the recommendations of the three law proposals on local government was produced informally for media in November, with a formal colour version currently in production.

On 10 October, 2008, the Communications Unit and the Ministry formally launched the website of the Ministry of State Administration and Territorial Management. LGSP recruited an international design consultant for the initial set-up for the website and a national website manager to assist in the launching and managing of the site. The website is now online at www.estatal.gov.tl and being regularly updated with information from all Ministry Directorates. As part of the hosting arrangement for the website, which is being externally hosted due to slow internet speeds within Timor-Leste, the Ministry has also now received email services from the estatal.gov.tl domain, and public servants are all now signing up for and using work email addresses. The Communications Unit hopes that such systems will start to increase internal coordination within the Ministry and facilitate not only the work of the Ministry but also local officials.

Branded promotional materials have been produced to promote the logo and the idea of decentralization, especially in public servants and those working peripherally to the decentralization process (Line Ministries and National Parliament). Folders, notebooks of two sizes, and T-shirts have been printed and are still being distributed during LGSP and Ministry events. A 2009 calendar with a theme of good local governance is currently in production, expected to be printed before the end of the year.

Two materials that have been planned for the 2008 Calendar year have been either cancelled or postponed until the 2009 Calendar Year. The production of TV programs was begun in conjunction with National Archives in the second quarter, when technical problems of transferring and editing the digital video files were discovered. Production stopped after these problems were recognized and never resumed, due to the excessive amount of time that would have to be invested in order to resolve them. It was determined that the production of a TV program would require a technical specialist that LGSP had not anticipated recruiting, and therefore the programs were cancelled for 2008.

In addition, the production of a simplified version of the LGSP evaluation report, in the form of a 'Lessons Learned Booklet, has been postponed until early 2009. While much preparation work has been done already, the final production could not be finished before the end of the year. The Communications team travelled with the TA for the evaluation mission to Bobonaro from 21-22 August, to take photos, record and document the commentary from LDP participants about the LGSP program so far. Highlights from the report in English have been prepared in a design template. Delays in the translation of the report from English to Tetun, however, have made the final production of the material impossible before end-of-year 2008.

ACTIVITY 3.2: Develop communication capacities

As part of the effort to not only facilitate increased information transfer from the national level, but also to increase communications from the local officials and authorities about their own work, the Communications Unit organized training on communications in the eight districts participating in the

LDP. The first round of training, for the original LDP districts, was held from April 12-16 in Lautem, Manatuto, Aileu and Bobonaro, with the remaining four districts of Ainaro, Baucau, Covalima and Manufahi in training from November 26 to December 4. For all eight trainings, there was a total of 206 participants who were trained in communication skills. The training focused both on strengthening representatives' ability to discuss LDP issues in their communities, and on media relations techniques and practice interviews.

District	Date	Total Participants	Men	Women	Total Invited	Participation Rate
Lautem	12-May	21	19	2	25	84%
Manatuto	13-May	30	25	5	30	100%
Aileu	14-May	20	16	4	20	100%
Bobonaro	16-May	33	28	5	30	100%
Ainaro	26-Nov	20	21	4	n/a	-
Baucau	2-Dec	25	19	6	28	89%
Covalima	3-Dec	32	26	6	n/a	-
Manufahi	4-Dec	25	20	5	n/a	-
Total		**206**	174	**37**		**94.6%**

In the districts of Ainaro, Covalima and Manufahi, training was combined with other activities, such as the consultation on the draft local laws, for which meetings had already been called; therefore the total number of participants was not set by an invite number. This method of training also increased the total participation rates for those districts.

While the trainings had initially been planned for participation at the sub-district level, in combination with trainings to reinforce the pilot distribution system – as the pilot distribution system was not continued due to a mandate conflict with the Council of Ministers, there was no need to hold as detailed trainings, and the trainings were moved to District-level training only, with participation from District Assembly Members.

A few observations of the participants of the training concluded:

- The training was overall successful with participants indicating they both needed the training and believed they could implement the changes suggested in the training;
- Most participants were interested in further training that would involve increased participation from all members of Suco councils;
- Participants indicated that they would also like continued assistance in organizing talk shows at the local community radios to air information about LDP activities.

Based on the feedback from the initial round of communications training, to further enhance Local Assembly member's awareness of the importance of regular communication with the media, the Communications unit has attended two meetings of the local assembly with the express purpose of helping them organize a talk show on the work and achievements of the local assembly. The first talk show was organized in Baucau on 18 September, and the second one was organized in Manufahi on 25 September. The experience of these talk shows will add to the understanding of how to communicate locally within the Assemblies, as well as contribute to the design of the second round of communication training for Local Assembly members, postponed due to scheduling conflicts. Preliminary feedback from the Assemblies after the talk shows has indicated that the activity is beneficial and may be repeated in the other districts.

To further encourage Sucos to begin active communication with their communities, based on information gathered in 2007 most Sucos did not have a public place to display information for their communities. To address this problem, LGSP procured 160 Suco Boards in 2007, and in 2008 continued with the

procurement of an additional 282 to have complete coverage of the country. Due to problems which were discovered in the delivery of the Suco boards in 2007, in 2008 the programme was proactive in monitoring the delivery of the boards, and coordinated with all sub-district offices to ensure that boards were, in fact, transported and installed correctly in each Suco. According to the contractor, the boards were delivered in the second week of December, and the project is continuing to contact all sub-district offices to confirm their delivery.

Another problem that was identified in 2007, in addition to low communication at the local level, was a low level of comprehension of the decentralization process within the media. To address this, the Communications Unit organized a joint event with the International Centre for Journalists to have a round-table with all major media organizations in Timor-Leste about the current status of the decentralization process. The event was held on 11 December, with participation from 32 people with 17 media organizations represented. The meeting over three hours with the MSATM Minister and DN-DLOT Director taking a large number of questions about the process from journalists after the briefing.

Public relations training for Ministry officials was scheduled for 2008, but has not been able to be completed due to the lack of availability of Ministry officials and LGSP communications schedule. It is also unsure whether, given the roll-out of reforms in 2009, this activity will be scheduled for next year.

ACTIVITY 3.3: Civic Education

A Civic Education TA was recruited to begin working on a civic education module and coordinate with NGOs and the UN to create local planning guidelines. The TA began working on the first module of civic education materials on general representation and good governance issues from 2-15 July, and continued with the finalization of the first module materials and the production of a second draft module on local governance laws from 7-21 October.

The first communications module has been drafted in a the format of a educational video, with the basic concepts conveyed through interviews with existing strong community leaders and community members who have benefited from the development resulting from the union of active leadership and active communities. The DVD will be accompanied by a flipchart with the same basic concepts, a facilitator's manual, and a handout for meeting participants. Implementation of the civic education was expected to be conducted by partner organisations through grants, and implementation arrangements were distributed through a Request for Proposal in October. The production of this civic education material, however, took far longer than a traditional booklet or flipchart alone, and has therefore delayed the implementation phase for the civic education. The video production alone took longer than expected, due to delays in post-production, and then the procurement for the printing and implementation of the materials for the civic education module were further pushed back due to insufficient bids. While the video is expected to be completed before the end of the year, the training of the trainers for the implementation of the civic education module, as well as its first pilot implementation, which is expected to be executed through a grant to Concern International, will only begin in January 2009.

The finalization of the second civic education module has also been delayed as the legislation which is the basis for the civic education module has yet to be approved and formalized into laws. However, because much of the essential work for the development of a civic education module has been completed this year, it is expected that the implementation of a civic education module on local governance can be fast-tracked next year once the draft laws are approved. Furthermore, the second module has been drafted as a traditional civic education material, including a flipchart, workbook and facilitators guide, that will not run into the same technical difficulties as the first module did.

ACTIVITY 3.4: Support to Output 3

The Communications Officer, Abilio Soares, was taken ill in March and had to resign soon after. The recruitment process for his replacement took longer than expected, after the TOR needed during the third quarter, recruitment of the Communications Officer and Website and IT Officer was completed, with Mr. Joao Santos, the Communications Officer, starting on 20 August, and the Website and IT Officer, Mr. Romualdo Guterres, starting on 1 September.

OUTPUT 4: Programme Support

ACTIVITY 4.1: PMU

The Project Management Unit (PMU) continued supporting ongoing activities. Regular PMU meeting has been conducted every two weeks and related issues on project achievement, plan activities and obstacles have been shared in the meeting. This kind of meeting was very important and facilitated in establishing a regular channel for communication and coordination between the Government counterpart and LGSP.

ACTIVITY4.2: PROGRAMME STEERING COMMITTEE (PSC) MEETING

The first PSC meeting was held on August 28, 2008 at the Ministry of State Administration and Territorial Management. The meeting was chaired by the Minister for State Administration and all members of the steering committee participated in the meeting. Progress and plan activities of the LGSP were discussed during the meeting. It was also agreed by the members that PSC meetings should be held at least twice a year.

ACTIVITY 4.3: Monitoring and Evaluation

In 2008 LGSP recruited a National M&E officer, Mr. Carlito Alves, in May to follow up on data collection and M&E activities. A detailed Monitoring and Evaluation framework is being designed for LGSP as well as the Ministry. A draft Monitoring and Evaluation manual, including specific forms for monitoring of local development projects have been designed and is currently being reviewed and discussed for the finalisation. General data collection was completed or finalized and the data information has been used to facilitate proper reporting for 2008. Data entry was also prepared for updating MIS data from 2005 to 2008. Infrastructure projects in 2006 and 2007 were evaluated by M&E unit in October and the final report of the evaluation was submitted to the Government.

ACTIVITY 4.4: Recruitment of new staff

Due to the expansion of the LDP programme and increased workload in policy & legislation and communication component, LGSP become in needs of more staff. A Monitoring and Evaluation Officer, a National Planning Officer, an IT officer, a Finance Clerk, two additional drivers were recruited. In addition, a national Communication Officer was also recruited to replace the former national communication officer who has resigned due to his health problem. In total 5 new local staffs were recruited in 2008.

ACTIVITY 4.5: Evaluation and Planning Mission

Mr. Richard Slater, an international consultant was in the field in August 2008 to review LDP/LGSP activities. He also identified new activities and costs for LGSP to be able to fully support the implementation of LG reform process which is expected to commence in 2009. The final report of the review mission was submitted to LGSP, the Ministry and Donors and the report has been translated into Tetun.

ACTIVITY 4.6: Procurement

In order to support LDP activities in 8 districts and Technical Assistance missions on policy and legislation development, the LGSP has become a need to procure more transportation, two (2) new cars and two (2) motor bikes was procured. For newly-recruited staff, the project has also procured eight (8) desktop and six (6) laptop additional computers, furniture and other related items. To support better internal communication, a server for internal network was procured and installed in the LGSP office. LGSP also procured other communication material such as a branded communication material, suco information board and video production.

V. Future Workplan

Annual Work Plan and the budget for 2009 was approved by UNDP, UNCDF and the Ministry of State Administration and Territorial Management (refer to Annex 2).

5.1: Recruitment

Recruitment of driver coordinator and policy & legislation clerk needs to be finalised. TOR for these two positions has been posted in UNDP web site and two local news papers in 2008. The recruitment process of the two positions will be complete in early 2009. Due to the large number of community infrastructure projects funded thought Local Development Programme (LDP), LGSP also recognises a need to have technical monitoring and supervision for better quality of the projects. Therefore an Infrastructure Technical Officer will be recruited to address this issue. An International Technical Specialist and an International Communication Adviser will be recruited to replace Ms. Jill Engen and Ms. Sally Torbert respectively. In addition, LGSP is planning to recruit an international Operational Manager to ensure the strategic direction of the LGSP operations.

5.2: Monitoring and Evaluation

Monitoring and Evaluation Manual will be finalised and subsequently training will be provided to project staff on how to use the manual. Updating MIS data will continue. Field monitoring visit including data collection will be conducted for the implementation of infrastructure project in 8 pilot districts.

5.3: Procurement

A 2009 procurement plan will be submitted to UNDP procurement in early 2009. A large part of the assets to be procured by LGSP will support the Government to implement and support various activities.

Annex 1.

COMMENTS TO AWP 2008: PROGRESS COMPARED TO ANNUAL WORKPLAN

This summary is a narrative of results against the AWP report for January to December 2008.

OUTPUT/ACTIVITIES	STATUS	PROGRESS REMARKS
Output 1: PILOT (ex LDP) Procedures, processes and systems for effective local-level infrastructure and service delivery (ISD) and public expenditure and public financial management (PEM/PFM) are piloted in selected Districts, Sub-Districts and Municipalities.		
1.1 Pilot and support for local level ISD by Local Assemblies in selected Districts		
1.1.1 Continue support local assemblies in pilot sub-national units (PIC, Finance Teams, DAT, Tender Boards)	Completed	Ongoing support to 29 District and sub-district Assemblies, as well as 21 SDDCs. All LAs have completed their planning process and revisions of budgets for 2008. Finance and procurement training of all DAT, Finance Teams and local tender boards are completed. Local tender process completed and projects implementation around 75 % is also completed.
1.1.2 Provide IT equipment to LA secretariat	Completed	In total 16 computers and printers have been procured and delivered to district offices.
1.1.3 Provide furniture/equipment to LA secretariat	Completed	In total 12 motorbikes and 8 office equipment packages have been procured and delivered to the district offices.
1.1.4 Provide meeting allowances for DA and SDA members and operational budgets to LAs	Completed	Budgets for Quarter 1 and 2 were transferred to the local bank accounts. Most of the LAs submitted their closing financial report.
1.1.5 Study tour to national parliament and/or exchange between LA from different pilot districts	Re-scheduled 2009	This activity was not able to carry out as a result of increased workload during Quarter 4.
1.1.6 Announce LDF allocations for D and SD for FY 2008 & 2009	Completed	Allocations were announced in January 2008.
1.1.7 Evaluation of D and SD performance against the defined Minimum Conditions, and announcement of the D and SD MC results.	Completed	Evaluations of Minimum Condition were conducted in 4 new districts in July.
1.1.8 Allocate D and SD funds in accordance with defined LDF financial mechanisms	Completed	LDF budgets for 8 districts were transferred based on their revised budgets for 2008.
1.1.9 Revision of procurement and finance training materials	Completed	Both manuals were revised in February.
1.2 Establish robust and transparent PFM systems (including auditing procedures) at the local level;		
1.2.1 Establish internal LDP audit procedures and modalities	Re-scheduled 2009	There were quite a few uncertainties regarding the PEM system that will be implemented with the LG reform, this activity has therefore been re-scheduled to 2009.

1.2.2 Provide training to national and local stakeholders in new audit procedures	Re-scheduled 2009	Same as the above
1.2.3 Establish internal M&E system for MSA & LAs	Re-scheduled 2009	This activity was not able to carry out as a result of increased workload during Quarter 4.
1.2.4 Provide training to national and local stakeholders in new M&E procedures	Re-scheduled 2009	This activity was not able to carry out as a result of increased workload during Quarter 4.
1.3 Introduce specific capacity building activities targeted at female members of Local/Municipal Assemblies		
1.3.1 Establish a CB programme aimed at improving gender awareness in LA	Re-scheduled 2009	This activity was not be able to carry out as a result of increased workload during Quarter 3 and 4
1.3.2 Implement CB programme	Re-scheduled 2009	Same as the above
1.4 Introduce measures to improve the levels/quality of participation in Local/Municipal Assemblies and Suco Councils (Standing Committees, training, etc.);		
1.4.1 Training for local stakeholders in planning and budgeting regulations modules in new districts	Completed	770 participants in 4 districts completed the one week training sessions
1.4.2 Training for local stakeholders in Finance and Procurement modules in new districts	Completed	58 staff completed this training in 4 new districts
1.4.3 Refresher training for local stakeholders in planning, budgeting, finance, procurement and O&M modules in old districts	Re-scheduled	Due to increased workload in Quarter 4, it was rescheduled in Mid-February 2009.
1.4.4 Preparations design and costing module and training seminar for PIC members	Re-scheduled 2009	Due to increased workload in Quarter 4, it was rescheduled to 2009. It is also expected to recruit an Infrastructure Technical Officer to address this issue.
1.5 Implement and refine PM and MC assessment processes		
1.5.1 Implement and refine PM and MC assessment processes	Scheduled in 2009	Not planned for 2008
1.6 Develop appropriate mechanisms for demand-driven capacity building of Local/Municipal Assemblies		
1.7.1 Assessment of CB needs and strategy as part of DSF 2 for LG reform	Re-scheduled 2009	Initial discussion has been conducted with INAP and the TOR for consultant has also been sent to INAP for review. Due to increased workload of the Ministry in preparing the laws proposal, it was re-scheduled in 2009
Output 2: POLICY AND LEGISLATION Support is provided to GoTL for the establishment of an appropriate and comprehensive institutional, legal, and regulatory framework for local government		
2.1 Assist in the drafting of a Decentralisation Road Map Part 2 (DRM)	Completed	DSF (Decentralisation Strategic Framework) 2 was prepared and submitted to CoM in October

2.2 Socialization/consultation of policy/legislation on decentralization at local and national levels	Completed	The socialization of the new policy was conducted in July.
2.3 Support to MTWG at national level (consultation on LG functions, finances etc.)	Completed	10 MTWG were established and 9 submitted their reports (except for Ministry of Agriculture and Fisheries). All10 Ministries reported back to the Prime Minister and CoM at the National Workshop on 31 July 2008 with approximately 150 participants.
2.4 Factor in the lessons learned from the LDP and Output 1 of LGSP into the policy process	Completed	LGSP input to design of new pilot and new policy definition. A programme review mission has been completed and recommendations have been made in terms of how to move forward from the LDP to a new PEM system for municipalities.
2.5 Support any reviews of existing legal frameworks and assessments of the need to adapt them in the light of decentralisation	Re-scheduled 2009	It was rescheduled to 2009 activities due to the delay of approval process of the local government law.
2.6 Provide technical support for preparing the content of draft legislation or detailed policy documents	Completed	TA to support MSATM in drafting administrative & territorial division and local government law. The law was submitted to the Council of Ministers for discussion in August 2008.
2.7 Provide legal assistance for preparation of the Law on Local Government, Adm & Ter Division and other legal instruments on the basis of detailed policy documents	Completed	No special TA mission was field since there are two legal advisors in the Ministry and we were requested to use the available legal advisors for the legal drafting in Portuguese.
2.8 Assist MSA in adapting to its new role and in restructuring/ implementation of reform	Re-scheduled 2009	This activity is impossible to commence without the new legal framework. It has therefore been re-scheduled for 2009.
2.9 Provide technical assistance for defining appropriate fiscal frameworks, financing arrangements, and local public financial management systems (or costing of the reform)	Completed	Two fiscal missions have successfully been completed and technical advice has been provided to MoF and MSATM. However additional work will need to be done during 2009 in terms of drafting appropriate subsidiary legislation after the Law on LG has been passed by NP.
Output 3: IMPLEMENTATION OF GOVERNMENT REFORM Support is provided to GoTL for the implementation of local government reforms		
3.1 Production of social communication material		
3.1.1 Bi-monthly radio programme	Completed	6 radio programs have been produced, aired on national and community radios
3.1.2 Monthly decentralization bulletin	Completed	12 issues were completed, with the December issue completed in early January
3.1.3 Fact sheets	Partially completed	A two page fact sheet on the decentralization policy, a brochure on LGSP activities in 2008 and a booklet on LDP booklet titled, “Raise your hands for Development” were produced in English and Tetun. The final fact sheet on the process of the draft laws was printed for limited

		distribution, but the final colour version has been delayed due to ongoing changes in the laws.
3.1.4 Annual Calendar 2009	Rescheduled for 2009	A 2009 calendar has been designed and has not yet been approved. Continuing revisions will continue in 2009.
3.1.5 Lesson learned booklet on LDP/LGSP	Rescheduled for 2009	An initial visit with the LGSP Evaluation TA to Bobonaro has started the drafting process for a colour booklet highlighting lessons learned during LGSP. Due to delays in the translation of the report, this activity was delayed until 2009.
3.1.6 Establish and design MSATM website	Completed	The Ministry website was launched in October and has since been fully operational with regular updates.
3.1.7 Production of information DVDs	Rescheduled 2009	Due to delays in the production of the civic education video, the reproduction of the video into DVD format has been delayed until 2009.
3.1.8 Production of decentralization branded materials	Completed	Folders and 2 sizes of notebooks have been designed and have been printed. In December, t-shirts of two styles were printed with the decentralization logo.
3.2 Develop communication capacities for central & local level		
3.2.1 Production of Suco Information boards	Completed	Final distributions of the suco information boards were completed in mid-December, with the Communications Team monitoring their delivery through close contact with district and sub-district officials.
3.2.2 Communication training for LAs at District level	Completed	Training for four original LDP districts was held in May, with training for the remaining four new LDP districts completed in November and December.
3.2.3 Public relations training for MSAOT & LGSP staff	Cancelled	Due to the ongoing workload of Ministry and communications staff, this activity was postponed until deemed necessary.
3.2.4 Media training workshop on decentralization process	Completed	A joint workshop of the Government and local media outlets was facilitated with the assistance of the International Centre for Journalists on 11 December.
3.2.5 Monitoring	Completed	Regular district visits have been held continuously throughout the year to cover LDP activities and monitor information reception.
3.3 Civic Education		
3.3.1 Prepare training module for civic education on decentralization and local government	Completed	A TA has been recruited and held the first mission in July. The second mission was held in October. Final printing of the modules is still in process, however will be completed by early 2009.
3.3.2 Implement CB module	Rescheduled for 2009	A request for proposal was sent out to interested partner organizations in October. Finalization of the proposals was completed in December, with the partner organization expected to begin

		working on implementation in January 2009.
3.3.3 Capacity building/training for Government staff in preparation for LG reform	Rescheduled for 2009	It was rescheduled to 2009 activities due to the delay of approval process of the local government law.
3.4 Formulate and implement communications strategy		
3.4.1 Formulate and implement communications strategy	Completed	The communications strategy was approved by the Minister on 6 June 2008

Annex 2. 2009 Annual Work Plan

EXPECTED OUTPUTS *And baseline, associated indicators and annual targets*	PLANNED ACTIVITIES *List activity results and associated actions*	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
Output 1 By 2011, Effective and accountable local governance established through support in legislation for local government and decentralization and piloting of local government. *Baseline:* No mechanism in place at local level to reflect the needs of the people in needs-identifying and planning process; *Indicators:* Systems for ISD and PEM/PFM is operational in all districts and budgets are executed as planned; *Targets:* Pilot or actual implementation of Local Government reform on ISD, PEM/PFM continues in current 8 pilot districts and possibly expanded to other districts.	1. Activity: Pilot and support for local level ISD by Local Assemblies in selected Districts	√	√	√	√	UNDP/MSATM	MSATM	72600 Grants	825,0002,085,000
						UNDP	30000 (IRE)	71600 Local Travel	30,000
						UNDP	30000 (IRE)	74500 Miscellaneous expenses	14,50023,000
						UNDP	30000 (IRE)	72800 IT equipment	3520,000
						UNDP	30000 (IRE)	72200 Equipment and furniture	3220,000
	22. Establish robust and transparent PFM systemsGender support activities	√	√	√	√	UNDP/UNCDF/MSATM	UNDP/MSATM30000 (IRE)	71600 Local Travel	14,5005,000
						UNDP/UNCDF/MSATM	30000 (IRE)	74500 Miscellaneous expenses	85,000
	34. Introduce measures to improve the levels/quality of participation in Local/Municipal Assemblies and Suco Councils (Standing Committees, training, etc.);	√	√	√	√	UNDP/UNCDF/MSATM	30000 (IRE)/UNCDF	71600 Local travel	2212,000
						UNDP/UNCDF/MSATM	30000 (IRE)/UNCDF	74500 Miscellaneous expenses	1713,000
						UNDP/UNCDF/MSATM	30000 (IRE)	74200 Printing	7,5005,000
	4. General Issues	√	√	√	√	UNDP	30000 (IRE)	74200 Printing	750
						UNDP	30000 (IRE)	71600 Local travel	2,000
						UNDP	30000 (IRE)	74500 Miscellaneous expenses	2,000
	5. Output Support (Programme Staff)	√	√	√	√	UNDP	04000	71300 Local Consultant/Staff	40,00045,874
						UNDP	30000 (NOR)	71300 Local consultant/staff	9,843
Output 1 Total									**193,467 (without government budget)** **2,278,467 (with government budget)**
Output 2 By 2011, Effective and accountable local governance established through support in legislation for local government and decentralization and piloting of local government.	1. Activity: Draft related regulations on local governance and decentralisation.Regulatory framework and guidelines for implementation	√	√	√	√	UNDPUNCDF	30000 (IRE)UNCDF	71200 International consultants71200 International consultants	9,10070,000
						UNCDF	IRE	71200 International consultants	11,900
						UNDP	30000 (IRE)	71600 International/local travel	10,860

Baseline: No legal framework to ensure the community participation in the process of identifying the needs and planning at local level. *Indicators:* Policy and legislation for decentralization and Local Government are approved by CoM and NP, after the consultation with key stakeholders based on the needs of the beneficiaries *Targets:* The draft laws on local governance and democratisation are submitted to the NP for the consultation and the approval. Sectoral functions and responsibilities are delegated to municipalities that held municipal elections, which align with the legislation and Decentralisation Strategic Framework (DSF).						UNCDF	IREUNCDF	71600 International/local travel	71,0005,720
	2. Regulatory framework for municipal fiscal and financial management	√	√	√	√	UNDP	30000 (IRE)	71200 International consultants	17,500
						UNDP	30000 (IRE)	71600 International/local travel	7,000
						UNCDF	IRE	71200 International/local travel	103,600
						UNCDF	IRE	71600 International/local travel	50,680
	3. Communications and consultations			√	√	UNDP	30000 (IRE)	74500 Miscellaneous expenses	1,000
						UNDP	30000 (IRE)	74200 Printing	3,000
	4. Management of transitional period and establishment of municipalities			√	√	UNDP	30000 (IRE)	71600 International/local travel	3,000
						UNDP	30000 (IRE)	74500 Miscellaneous expenses	3,000
						UNDP	30000 (IRE)	74200 Printing	4,000
	5. Municipal capacity building	√	√			UNDP	30000 (IRE)	71200 International consultants	7,000
						UNDP	30000 (IRE)	71600 International/local travel	5,100
	6. Demarcation of municipal boundaries		√	√		UNCDF	IRE	71600 International consultants	9,800
						UNCDF	IRE	71600 International/local travel	5,100
	7. Reconfigure MSATM	√	√	√	√	UNCDF	IRE	71200 International consultants	10,500
						UNCDF	IRE	71600 International/local travel	5,900
	8. Engaging development partners								
	9. Oversight, policy reviews and taking stock	√	√	√	√	UNDP	30000 (IRE)	71600 International/local travel	2,000
						UNDP	30000 (IRE)	74500 Miscellaneous expenses	2,000
						UNDP	30000 (NOR)	71300 Local consultant/staff	22,920
						UNCDF	IRE	71600 International/local travel	10,000
Output 2 Total									**310,680**

Output 3 By 2011, Effective and accountable local governance established through support in legislation for local government and decentralization and piloting of local government. *Baseline:* No mechanism/system in place to support the implementation of the legal framework on local governance and decentralisation. *Indicators:* Reformulation of communication strategy approved by the government. Trainings are provided for c/p officials, media and local municipalities on local government and decentralisation. *Targets:* Public awareness on local governance and decentralisation increases at community level through the implementation of communication strategy on Local Governance Reform.	1. Production of social communication material	√	√	√	√	UNDP	30000 (IRE)	74200 Audio/printing	37,000
						UNDP	30000 (IRE)	71600 International/local travel	3,200
						UNDP	30000 (IRE)	74200 Audio/printing	5,300
	2. Civic education	√	√	√	√	UNDP	30000 (IRE)	72600 Grant	67,000
						UNDP	30000 (IRE)	72200 Equipment and furniture	8,000
						UNDP	30000 (IRE)	74500 Miscellaneous expenses	3,000
	3. Output support	√	√	√	√	UNCDF	IRE	71200 International consultant/staff	54,000
						UNCDF	IRE	71600 International/local travel	6,000
						UNCDF	IRE	72800 IT Equipment	5,000
						UNDP	30000 (NOR)	71300 Local Consultant/staff	9,171
						UNDP	30000 (NOR)	71200 International consultants	3,000
						UNDP	30000 (NOR)	71600 Local travel	3,000
						UNDP	04000	74500 Miscellaneous expenses (media unit)	1,283
						UNDP	30000 (NOR)	74500 Miscellaneous expenses (media unit)	1,554
Output 3 Total									**206,508**
Output 4 Programme Support	1. Procure equipment/vehicle	√	√	√	√	UNDP	30000 (IRE)	72800 IT equipment	10,000
						UNDP	30000 (IRE)	72200 Equipment and furniture	5,000
	2. Operations and maintenance	√	√	√	√	UNCDF	UNCDF	61300 International Staff	110,000
						UNDP	30000 (IRE)	71600 International/local travel	10,000
						UNDP	30000 (NOR)	71300 Local staff	16,890
						UNDP	04000	71300 Local staff	51,496
						UNDP	30000 (IRE)	73400 Maintenance and transport	30,000
						UNDP	30000 (IRE)	74500 Miscellaneous expenses	900
						UNDP	30000 (NOR)	72500 Stationeries	15,000

						UNDP	30000 (NOR)	72400 Communication	5,000
						UNDP	30000 (IRE)	74200 Audio/printing	10,000
						UNCDF	IRE	53400 Learning cost	20,000
						UNDP	30000 (IRE)	74500 Miscellaneous expenses	5,000
						UNDP	30000 (IRE)	71600 International/local travel	10,000
	3. Mid-term evaluation	√	√	√	√	UNCDF	IRE	71200 International consultants	35,000
						UNCDF	IRE	71600 International/local travel	10,000
Output 4 total									**344,286**
TOTAL									**1,054,941 (without government budget) 3,139,941 (with government budget)**