



Annex 16 to UNDP Timor-Leste Programme Package Document

Support to Decentralization and Local Governance Options in Timor-Leste

April 2003

(3 relevant photos)





UNITED NATIONS DEVELOPMENT PROGRAMME

GOVERNMENT OF EAST TIMOR

PROJECT BUDGET TIM/02/019

Project number: TIM/02/019/01/34

Project title: Decentralisation and Local Governance Options in Timor-Leste

Project short title: Decentralisation and Local Governance

Duration: 8 months

Estimated start date: April 2003

Estimated end date: December 2003

Management arrangement: DEX

Classification information

UNDP Strategic Area of Support: G1-SGN4-SASN1
Improved efficiency, accountability and transparency in the civil service through national ownership and leadership
ACC sector 020: General development issues
ACC sub-sector 024: Public administration and management
Primary target beneficiaries: Customs Service of East Timor, Ministry of Finance and Trading Community
Patterns of intervention: Capacity building and institution building

PAC review date: 29 June 2001

Summary of UNDP and Cost-Sharing inputs [as per attached budgets]

UNDP:	USD
TRAC (1 & 2)	0
TRAC (3)	-
Cost-Sharing Agreement (Ireland Aid)	396,979
AOS:	
Sub-Total	396,979
TOTAL:	396,979

UN Implementing Agency: UNDP Dili
Designated institution: MoIA
Programme support/
project site: Dili
Beneficiary country: Timor-Leste

Government Inputs (local currency)

(in kind)	-
(in cash)	-

Approved by:

Signature:

Date:

Name/Title:

UNDP:

4/3/03

Sukehiro Hasegawa
Resident Representative

Government:

4/3/03

ROGERIO T.F. LOBATO
Min. Administração Interna

PROJECT DOCUMENT

DECENTRALISATION & LOCAL GOVERNANCE OPTIONS IN TIMOR-LESTE

A. BACKGROUND & RATIONALE

NATIONAL COMMITMENT TO DECENTRALISATION & GOOD LOCAL GOVERNANCE

Timor-Leste achieved formal independence on May 20, 2002, following over two years of transitional government which was managed by the United Nations Transitional Administration in East Timor (UNTAET).

Constitutional Provisions

The Constituent Assembly tasked with writing Timor-Leste's Constitution in 2001/02, addressed the issues of local government and decentralization in a number of sections of the **Constitution**. Specifically Section 5 outlined below states:

- 1. On matters of territorial organisation, the State shall respect the principle of decentralisation of public administration.*
- 2. The law shall determine and establish the characteristics of the different territorial levels and the administrative competencies of the respective organs.*
- 3. Oecussi Ambeno and Atauro shall enjoy special administrative and economic treatment.*

In addition, in Section 63 which covers participation by citizens in political life, the Constitution states:

- 1. Direct and active participation by men and women in political life is a requirement of and a fundamental instrument for consolidating the democratic system.*
- 2. The law shall promote equality in the exercise of civil and political rights and non-discrimination on the basis of access to political positions.*

Through Article 72, on the question of Local Government, the Constitution states:

- 1. Local government is constituted by corporate bodies vested with representative organs, with the objective of organising the participation by citizens in solving the problems of their own community and promoting local development without prejudice to the participation by the State.*
- 2. The organisation, competence, functioning and composition of the organs of local government shall be defined by law.*

Current Political Commitment

The President has also shown concern with the issue of local government, identifying its absence as causing a vacuum in rural areas that must be filled by representation at local level. In his speech to mark 100 days of independence, he says:

'...there is no mechanism of communication with the grassroots and therefore they are easily manipulated by third partiessome district administrators and some sub district coordinators also reveal lack of direction and do not know what they should do and should not do.'

In addition to this expressed political concern and the articles of the Constitution, the Timor-Leste National Development Plan of May 2002 on the issue of Decentralisation and Participation commits the Government to:

- A. *Study and introduce an optimal sub-national configuration conducive for development as well as service provision in conjunction with stakeholders;*
- B. *Study and delineate the levels of administrative hierarchy down to the community that will facilitate cost effective and efficient service delivery and enhance community initiative and participation;*
- C. *Study options for effective decentralisation that clearly define the role of central, regional, local and community, and civil society organisations and entities; empowers communities and strengthens transparency and grass roots democracy.*

Since Independence in May 2002, the critical role of local government in delivering services effectively at local level has come sharply into focus, such is the remote nature of many of Timor-Leste's communities. The annual programme for government identifies the importance of defining a policy and institutional framework for local government. It is clearly recognised as a benchmark of achievement in the Action Matrix of the Transitional Support Programme FY2002/03 (which provides the framework for budget support).

As a first step in the process of policy development, it was necessary to define a terms of reference. At the request of GoTL, Ireland Aid supported the development of a TOR through a participatory and consultative process in partnership with the Ministry of Internal Administration, particularly Administrative Department for Local Government & Development (AGLD). As part of this process, the GoTL established an Inter-ministerial Technical Working Group to oversee the drafting of the terms of reference. The Ireland Aid Public Sector Management Specialist facilitated the process through the provision of technical support. The terms of reference were completed in September 2002, following wide consultation with government at central and district level, as well as civil society and donors. The Inter Ministerial Political Steering Committee, chaired by the Prime Minister, endorsed the final document.

In response to a GoTL request for further Ireland Aid support to the policy development process, Ireland Aid has requested UNDP's involvement to provide technical and administrative support to the exercise of defining local government policy in Timor-Leste.

CURRENT STRUCTURE OF GOVERNMENT & LOCAL ADMINISTRATION

The destruction and disruption of recent years left Timor-Leste with no functioning government apparatus, and during the UNTAET period the main focus was on building up the core functions of the central administration. The configuration of sub-national government remains that inherited from the pre-1999 period, and reflects the legacy of interactions between the traditional system and those imposed by the Portuguese and Indonesian colonial administrations. At central level the Ministry of Internal Administration has overall responsibility for local government affairs, with day-to-day oversight by the Directorate of Administration, Local Government and Development (one of 7 Ministerial Departments).

- Below national government there are 13 Districts (*kabupaten*), managed by a District Administrator and with District offices of the main Ministries.

<i>DISTRICT</i>	<i>POP.</i>
<i>Aileu</i>	<i>31,827</i>
<i>Ainaro</i>	<i>45,093</i>
<i>Baucau</i>	<i>101,517</i>
<i>Bobonaro</i>	<i>69,932</i>
<i>Cavalima</i>	<i>49,234</i>
<i>Dili</i>	<i>120,474</i>
<i>Ermera</i>	<i>88,415</i>

<i>Liquica</i>	45,575
<i>Lautem</i>	53,467
<i>Manufahi</i>	38,616
<i>Manatuto</i>	35,446
<i>Oecussi</i>	45,042
<i>Viqueque</i>	62,704

- Districts are sub-divided into 65 sub-Districts (*kecamatan*), managed by a sub-District Coordinator, and which are the lowest level of government administration.
- Sub-Districts in turn are sub-divided into 442 Sucos (*desa* or village), and these into 2,336 *Aldeias* (*dusun* or sub-villages), both units managed by “chiefs”, under “community” arrangements.

There are no elected local bodies at any of these levels and the sub-national government structure is essentially a deconcentrated (rather than a devolved) sub-national government system.

The review and redefinition of the policy and institutional framework of sub-national government, the representative mechanisms at each level, the service delivery roles, the fiscal powers and responsibilities, etc, is now a matter of national priority. The Ministry of Internal Administration has been charged with developing policy proposals for national review and adoption in 2003, with emphasis that this be undertaken in a fully consultative manner.

In the meantime, pending this policy review, Government is also concerned to press ahead with basic capacity building at sub-national level and the 2002-3 Budget provides for recruitment of 150 additional staff for District and sub-District levels, remuneration for Suco Chiefs, basic training, establishment of communication & arrangements, etc..

THE UNDP COUNTRY PROGRAMME

The UNDAF (2003-05) highlights the need for all UN agencies to focus in a consistent and strategic manner on targeted capacity development in government, as the prime mover for achievement of development (and MDG) goals.

The CP (approved Sept 2002) outlines two main focus areas:

Governance & Public Sector Management. In this area the CP notes that during the UNTAET period, the major concentration was on strengthening central institutions necessary for the establishment of a new State; this resulted in little or no attention being paid to sub-national units of government - either at District or at sub-district level. The recent draft report on Capacity Development Program for Governance & Public Sector Management (2002) also highlights Local Governance & Management as one of 6 key areas for institutional and human resource development.

Community Development & Rehabilitation. Here the emphasis will be to consolidate recovery and rehabilitation at local level, and support to service delivery for poverty reduction, but with a switch away from “parallel project mode” and greater attention to ensuring the institutional anchoring and sustainability of these activities. Here too, then, this component will also demand that UNDP work to building up the capacity of local government, local community institutions and other local bodies, and facilitating their interaction, to work together for more sustainable delivery of public goods & services for poverty reduction.

Support to decentralisation and good local governance is thus a common theme to both components, and this demands that UNDP develop a coherent programme strategy to underpin the twin areas of support to public administration and community development if it is to use its

resources effectively for poverty reduction and also to have a consistent policy position in its partnership with Government and with other donor agencies.

RATIONALE FOR THE PROPOSAL

There is general recognition that the establishment of a sound decentralization policy framework and provision of support to the institutions of local governance is doubly important:

The political rationale. On one hand, the creation of local representative government provides a nurturing ground for the habits of democracy and a more accessible “political space” for interaction between local and rural citizenry and the officials of the state, and more effective pressures for accountability of the latter to the former, than are available in a centralized system – thus enhancing the overall quality of governance and the legitimacy of the state.

The developmental rationale. On the other hand, there is also strong evidence that many of the basic local public investments and services required for poverty reduction and attainment of MDGs are more effectively, accountably and sustainably “provided”¹ (but not necessarily “produced”) by local government than by central agencies. This of course does not mean that central government ministries have no role

These arguments are, if anything, even more powerful in a post-conflict situation such as that which prevails in Timor-Leste. Establishment of democratic state institutions with strong roots and legitimacy in the far-flung rural areas outside of Dili – where people are long accustomed to avoiding interaction with an autocratic and predatory colonial state - is a pre-requisite both for national political stability, and for the huge development effort and mobilization of energies and resources now required. As the UNDAF document makes clear, the prime initiative for social and economic development in Timor-Leste must come from the state, and the state can only do this effectively if it interacts effectively with civil society.

Establishing the institutional framework for local government and good local governance without delay is important for an additional reason. The longer the delay before this is established, the greater the risk that donor agencies establish alternative, parallel provision arrangements² for those local infrastructures and services which should be the responsibility of local government, and thereby – unintentionally - complicate and undermine effective decentralization of functions to local government, by weakening the legitimacy of these bodies and failing to use opportunities to build capacity within them.

As already noted, the need to determine such a policy and institutional framework is clearly recognized in the Constitution and by the present Government, and work to develop such policy has already been initiated by AGLD with the support of Ireland Aid. . The preparatory work in developing a terms of reference is completed (see annex) and agreed politically. For the policy development phase of this process, the resources and capacity of UNDP will be critical in delivering the study through a collaborative relationship between GoTL and Ireland Aid.

¹ A definitional note is in order. It is useful to distinguish between two sets of public service (and infrastructure) delivery functions which are often confused: (a) service provision – the planning, financing and overall accountability for service quality; for services publicly funded these are pre-eminently the roles of publicly accountable (central or local) government bodies; and (b) service production – the actual design, implementation, management, operation and maintenance of services; these roles can be undertaken variously by private entrepreneurs, NGOs, or community bodies under contract to or in collaboration with the providing government body, to whom they are formally accountable.

² For reasons of “expeditious” delivery, and where local government is claimed to be weak, many donors establish “social fund” or “micro-project” arrangements, which bypass existing or embryonic local government bodies, thereby undermining their legitimacy, capacity and accountability.

B. THE PROJECT PROPOSAL

PROJECT OVERVIEW

In order to promote good local government and local governance in Timor-Leste, for the reasons just outlined, it is proposed that UNDP and Ireland Aid provide support to the Government in order to:

1. Define policy - through:

- review and analysis of policy & institutional options for the framework of sub-national government,
- facilitation of stakeholder discussions to determine the preferred configuration, and
- defining an immediate training/support plan;

2. Adopt & Implement policy - through:

- translating the policy option adopted by Government into a supportive legal framework for review and approval by legislating bodies, and in
- implementing this policy framework through institutional development and capacity building for both local government and civil society organizations, and for Ministry of Internal Administration and other central government support and monitoring agencies.

The current proposal thus outlines a set of proposed activities to support these two goals. The Constitution and the National Development Plan require further policy development, legislation to define local government and the 1st Constitutional Government of Timor-Leste identified this as a target in developing the action matrix for the Transitional Support Programme.

There is no off-the-shelf model of local government; the appropriate solutions for Timor-Leste will depend on an assessment of costs, effectiveness and capacity to provide services at central vs different local levels. It is thus proposed to support a 2 Phase Study and Consultation exercise as follows:

PROJECT GOAL

A policy framework appropriate for Timor-Leste, and acceptable to all major national stakeholders, which establishes the institutional framework for sub-national government at different levels, the nature of local democratic representation and the service delivery functions at each level, relations with central government, and staffing and financing arrangements.

PROJECT OUTPUTS

Phase 1: Supporting Policy Definition

- An Inception Report outlining major options and issues to solicit feedback and guidance from policymakers;
- A draft final study containing an analysis of feasible options and their implications, and an immediate plan of action;
- A series of facilitated consultative events bringing together major stakeholders to discuss these options;
- A final study defining the recommended configuration of options reflecting the feedback and opinions expressed by stakeholders, for submission to national policymaking authorities;

Phase 2: Supporting Policy Adoption & Implementation

- Draft legislative texts, reflecting the policy options adopted by national authorities, to serve as the basis for a Parliamentary bill, to be submitted for review by the legislative organs;

INDICATIVE COSTS & FINANCING

See budget document attached.

PROJECT RESULTS FRAMEWORK

Sub-goal and strategic area of support: Public sector; civil service accountability

Intended outcome: Improved efficiency, accountability and transparency in civil service through national ownership and leadership

Output: Support provided to public administration to ensure transparency and accountability and improve delivery capacity of the public sector.

Immediate objectives:

- More effective pressures for accountability of the people to the government, than are available in a centralized system, enhancing the overall quality of governance and the legitimacy of the state
- More efficient, accountable and sustainable provision of basic local public investments and services required for poverty reduction and attainment of MDGs.

Activities

- An Inception Report outlining major options and issues to solicit feedback and guidance from policymakers;
- Analysis of feasible options for local governance structure and their implications, and an immediate plan of action;
- Draft legislative texts, reflecting the policy options adopted by national authorities, to serve as the basis for a Parliamentary bill, to be submitted for review by the legislative organs;
- A final study defining the recommended configuration of options reflecting the feedback and opinions expressed by stakeholders, for submission to national policymaking authorities;
- Draft regulatory texts, translating the provisions of approved legislation into Ministerial instructions and guidelines.

Sub-goal and strategic area of support: Local governance; alliances by the poor

Intended outcome: Increased capacity of CSOs for analysis, advocacy and social mobilization for sustainable human development

Output: Awareness of NGO–Government relations issues raised and information sharing opportunities created.

Immediate objectives:

- Establish ground for the habits of democracy and a more accessible “political space” for interaction between local and rural citizenry.

Activities:

- A series of facilitated consultative events bringing together major stakeholders to discuss these options;
- A programme framework document to allow multi-donor support for implementation of decentralization policy, including capacity building and training for both local and central government bodies.

INSTITUTIONAL ARRANGEMENTS FOR MANAGING PROJECT ACTIVITIES

The Inter-Ministerial Political Steering Group (IMPSG)

IMPSC provides policy level guidance; reviews project progress; and reviews/endorses substantive revisions and final report. It is chaired by Prime Minister and comprises of representatives of line ministries. Any other relevant parties will be invited as ex-officio members as necessary. IMPSG meetings will be convened as required.

Inter-Ministerial Technical Working Group (IMTWG)

IMTWG will co-ordinate project activities and discuss issues arising from implementation of the project. Members are representatives of ministries, UNDP and IrelandAid. IMTWG is chaired by Ministry of Internal Administration. The IMTWG will be responsible for providing an overall guidance and direction of the project and reviewing progress of the project implementation periodically. IMTWG meetings take place regularly.

Ad hoc co-ordination and review meetings can be held together with interested parties, including representatives of Government and donors.

Executing agency

The project will be directly executed by UNDP Country Office (DEX), which will establish, administer and monitor the project, in collaboration with MoIA. An international expert will be recruited as team leader and oversee the project activities. The administrative support will be provided by project resource personnel, located in the MoIA.

LEGAL CONTEXT

This document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Democratic Republic of Timor-Leste and United Nations Development Programme, signed on 20 May 2002. The host country implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in the Agreement. The following types of revisions may be made to this document with the signature of the UNDP Resident Representative only, provided s/he is assured that the other signatories of the document have no objections to the proposed changes:

- Revisions in, or addition of, any of the annexes to the project document;
- Revisions, which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the rearrangement of outputs already agreed to, or by cost increases due to inflation; and
- Mandatory annual revisions, which re-phase the delivery of agreed project outputs of increased expert or other cost due to inflation or take into account agency expenditure flexibility.

ANNEX

DETAILED TERMS OF REFERENCE FOR STUDY & CONSULTATION EXERCISE

INTRODUCTION

In order to promote decentralization and good local governance in Timor-Leste, UNDP and Ireland Aid will provide support to the Government in order to both define an appropriate policy and institutional framework, and then to proceed to implement this policy framework and establish the institutions of good governance at sub-national level.

To this effect a Study and Consultation exercise will be undertaken in 2 Phases, by a team of consultants, as follows:

PHASE 1: SUPPORT TO POLICY DEFINITION

SCOPE

This exercise will assist in the review and analysis of policy & institutional options for the framework of sub-national government, in facilitation of stakeholder discussions to determine the preferred configuration, in determination of preferred options, and defining immediate capacity building priorities.

TASKS & ACTIVITIES

To this end, the following tasks and activities will be undertaken:

Review of Past Experience and Lessons Learnt

- review, in consultation with Government of Timor-Leste (GoTL) and other stakeholders including donors and development partners, the experience of structures and initiatives at sub-national level in Timor-Leste, including traditional forms of leadership (both recorded and customary);
- assess the effectiveness and efficiency of existing national and sub-national structures- specifically at Central, Districts, Sub district, Suco and Aldeia levels;
- assess current arrangements for basic infrastructure and service delivery by line ministries and other agencies.

Identification of Appropriate Sub National Units and Local Representation

- identify the most appropriate sub-national local government structures by type and number;
- recommend forms of elected representation at the appropriate level(s);
- outline a series of services, responsibilities and powers that should be decentralised and to what level;

Resourcing of Sub-National Units

determine indicative expenditure responsibilities of local government entailed by proposed decentralization of services;

determine funding arrangements for local service delivery, local fiscal powers, and appropriate mix of centre-local transfers by type (conditional and unconditional grants, etc);

- determine realistic staffing of local bodies;
- recommend main features of the internal organisation of local bodies, committees, etc.;

Capacity and Institutional Strengthening

- clearly delineate a realistic timescale for this decentralisation process;
- assess the capacity that exists to effectively manage and deliver services identified for phased decentralisation;

- identify the main features of a short, medium and long-term capacity and institutional building programme at sub-national level;
- draw up the Terms of Reference for a Training Needs Analysis (TNA) for local government staff at all levels;
- outline an indicative institutional strengthening and capacity building programme for the Ministry of Internal Administration;
- in keeping with the terms of the Constitution, identify the optimal arrangements for the participation by citizens and citizens' organisations in local government decision-making and service delivery;
- identify the gender dimensions of local government/governance in Timor-Leste and recommend specific capacity development measures and structures that will facilitate the participation of women and men;

Options & Sequencing

- outline the relative costs - and benefits - of establishing different configurations of sub-national government;
- appropriate sequences and phasing for fiscal decentralisation;
- advise on the financing, financial management arrangements and associated capacity building needs;

Guidelines for donor support

Outline broad principles and guidelines to ensure that any forthcoming donor support to either local governance or basic infrastructure and service delivery will be supportive and not undermine decentralisation policy.

As outcome of these tasks, and following consultations, fieldwork and analysis the study will thus:

- propose the introduction of an optimal sub-national configuration of local authorities to maximise development potential and effective service delivery;
- clearly delineate the levels of administrative hierarchy down to the level of the community which are consistent with efficient service delivery and which enhance community participation, initiative, commitment and involvement;
- indicate the options for ensuring democratic representation and accountability at each level;
- indicate the options to ensure effective and efficient financing of service delivery, & appropriate approaches and timing for fiscal decentralisation (to include conditional and unconditional, block and equalisation grants);
- clearly delineate the role of the different levels of government proposed;
- present a clear number of alternatives for greater community empowerment and the strengthening of grassroots democracy;
- outline relationships between tiers of sub-national government and the central government.

TIMING

A period of 11 weeks from start to production of the final Phase 1 Report. The study and stakeholder consultations are expected to be completed by October 2003. It is hoped that the study can begin by 1st March latest.

TEAM REQUIRED

- The Team Leader will be an international expert with experience in analysis of and support to decentralisation policy and local governance.
- A second team member will be an international expert on local government institutional, management and administrative arrangements.
- A third team member will be an international expert on local government finance.
- A fourth team member will be an international social anthropologist
- A fifth team member will be an experienced local consultant on local administration and government in Timor-Leste.

- The sixth member of the team will be an local expert on Timor-Leste traditional government, customs and practices at suco and aldeia levels.

In addition local facilitators will be required to support the consultative review of the team's draft report by groups of national stakeholders.

PROPOSED METHODOLOGY

The following is an outline of the methodology to be followed in Phase 1.

- The study will be managed directly by the Inter-ministerial Technical Working Group (IMTWG) to which the team will report formally on a monthly basis.
- The team will produce in co-operation with the IMTWG - within two weeks of its mobilisation, an Inception Report which will address the implications of the TORs and which will outline the proposed methodology and time-frame for the study.
- The IMTWG must consider and comment on inception report before presentation to the Inter-Ministerial Political Steering Group.
- The Inter-Ministerial Political Steering Group must consider and comment on the Inception report to provide a political framework for the study.
- The study will review all relevant documents related to its purpose and objectives.
- The consultancy team will analyse Timor-Leste experience of local government arrangements under traditional, Portuguese, Indonesian and UNTAET periods and distil any lessons for the project recommendations. The team will also provide an overview of relevant comparative local government.
- A questionnaire will be produced in co-operation with the IMTWG which will elicit the views of a wide cross section of stakeholders at central, local, community and development partner levels.
- The team will meet with all relevant Central, District, NGO, civil society and donor partners and will liaise strongly at all times with the Director of Administration, Local Government and Development in the Ministry of Internal Administration.
- The team will produce a Phase 1 Draft Final Report which will outline a number of possible options and alternatives for sub-national units of local government.
- The draft report will also outline optimal financial, management, administrative and staffing arrangement for local government in relation to each of the options proposed.
- This Draft Final Report will be presented to and agreed by the IMTWG for presentation to the Inter-ministerial Political Steering Group.
- The TORs for a Training Needs Assessment and a strategic plan for personal and institutional capacity building will be presented to the Minister for Internal Administration before completion of the study.
- A final Report, including the TNA and capacity building plan will be presented to the IMTWG within two weeks of the end of the study.
- The recommendations of the study must be presented to and agreed by the Inter-Ministerial Political Steering Group.

- A Government/Donor working group will be established as an advisory group on matters pertaining to local government and governance.

PHASE 2 – SUPPORT TO POLICY ADOPTION & IMPLEMENTATION

This Phase will begin once it is clear that the Phase 1 policy recommendations have been reviewed and endorsed by national policymakers and by other national stakeholders. Given the inevitably controversial nature of some of these policy issues, it is thus expected that there will be a time lag between the two phases,

SCOPE

The aim is to assist in implementing this approved policy framework through institutional development and capacity building for both local government and civil society organizations, and for Ministry of Internal Administration and other central government support and monitoring agencies.

TASKS & ACTIVITIES

To this end, the following tasks and activities will be undertaken:

Draft Legislation

Prepare draft legal statutes which translate the various aspects of approved policy into legal text, to be submitted to consultation and to the national legislative process;

Basic Regulations and Guidelines

Prepare sets of basic instructions, rules and guidelines for essential local government management activities: financial management, personnel management, committee business, communication with the public, etc..

Designing a Programme/Project of Assistance to Implementation

Prepare a programme/project support document to submit for donor funding which provides support to policy implementation, institutional development and capacity building alongside support to decentralised infrastructure and service delivery. This support will include:

- logistic and human resource capacity building to local government bodies;
- logistic and human resource capacity building within MIA and other central government departments (line Ministries and Ministry of Finance) with support or monitoring functions for local government;
- establishment of mechanism for centre-local financial transfers and monitoring;
- citizen awareness and training to better ensure local government accountability and monitoring of performance;
- trialing innovative participatory planning, budgeting and service delivery and management arrangements, and financing mechanisms which may later be replicated nationally.

The programme/project document(s) will be submitted to a GoTL/Donor working group to solicit co-funding for the various components identified.

TIMEFRAME

The three different Outputs will be produced within a 2 month period after startup. However, the startup date for Phase 2 Activities will not necessarily follow on after conclusion of Phase 1, since they require an indication that national authorities have fully reviewed and agreed to a set of policy options based on Phase 1 recommendations.

TEAM REQUIRED

- The Team Leader will be an international expert with experience in designing support to decentralisation and local governance policy implementation. Ideally he/she should be the same Team leader as for Phase 1.
- A second team member will be an international legal drafting expert with experience in preparing local government legislation.
- A third team member will be an international expert in local government management and administration – again, ideally the same expert as in Phase 1.
- A fourth team member will be an experienced local consultant on local administration and government in Timor-Leste - again, ideally the same expert as in Phase 1.
- The fifth member of the team will be a local expert on Timor-Leste traditional government, customs and practices at suco and aldeia levels- again, ideally the same expert as in Phase 1.

METHODOLOGY

This will be substantially the same as for Phase 1. The team will carry out its tasks under the guidance of the IMTWG and IMPWG, in close collaboration with the MIA. Throughout, the emphasis will be on close consultation with all stakeholders.



UNITED NATIONS DEVELOPMENT PROGRAMME

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Signature:

Date:

Name/Title:

UNDP:

4/3/03

Sukehiro Hasegawa
Resident Representative

Government:

4/3/03

Rogério T.F. Lobato
Min. Administração Interna

TIM/01/024-Capacity Development for Human Resources Management in the Civil Service
Indicative workplan for 2003

Priority: Very high (VH), high (H), medium (M), low (L)

Activity	Resources		Tentative Timeline	Notes	Priority
Project management	Financial	Other			
1. Hire RPA	\$146,000	PO	Done	New TORs developed	VH
2. Hire Senior Public Administration Reform and Change Management Advisor (CTA)	\$34,542(fees plus travel)	PO	Immediate	New TORs developed. This could be a series of short term consultancies, depending on availability of possible experts and character of RPA.	H
3. Hire HRM Advisor	\$116,000	PO	Done	TOR available	VH
4. Hire HRM UNV	\$80,000	PO	Done	TOR available	VH
Legal Framework for HRM					
5. Preparation of lexicon of key words in the draft act for translation		Mr. Liborio	Immediate	This is a recommendation to Mr. Liborio: it would be very useful that he translate some of the key words and phrases in English to the words and phrases as he would like to see them in Portuguese	M
6. Translation of draft act into Portuguese	\$15,000 (translation plus verification of	PO and Mr. Liborio	March 2003-Done	The quality of the translation of the draft act is extremely important, and appropriate	VH

Activity	Resources		Tentative Timeline	Notes	Priority
	the translation special translator)			time will have to be allowed to ensure quality. The translation could be performed by an individual or firm, and reviewed by Mr. Liborio.	
7. Translation of approved act into Bahasa	\$5,000	RPA	October 2003		M
8. Seminar with Directors General on the draft act	\$500	PO and Mr. Liborio	End May 2003	This activity to be led by the Permanent Secretary of the PSC	H
9. Revisions to draft act (integrate pay and compensation system into the act)	\$5,000 (travel and DSA)	Mr. Liborio and SURF advisor time	End May 2003		H
10. Draft regulations for transitional arrangements	\$25,000 (for capacity assessments.)	Special Advisor and project HRM staff (capacity assessments should be done by external body.)	End July 2003	These regulations establish the mechanisms to transition existing civil servants into the new system. This could include capacity assessments.	VH
11. Drafting of job descriptions	\$25,000 (4 to 6 weeks of consultant work over three months,	RPA, Special Advisor, Director's General in	May 2003 though July 2003	In theory this activity would follow a functional analysis in each ministry. However, given the urgency of getting the new system up and	VH

Activity	Resources		Tentative Timeline	Notes	Priority
	including design, training of HRM staff in the ministries, and quality control of results)	each ministry, and HRM staff			
12. Print and distribute draft act.	\$10,000	Directorate of PS.	April 2003	running, and the time that functional analyses are bound to take, it is <u>not</u> recommended that any functional analysis is undertaken as part of this project. This activity could be undertaken by teams of two or three international and national consultants in each ministry. It should be preceded by a short training for HRM staff in each ministry.	H
13. Draft regulations for the act	\$20,000 (consultants and travel)	Legal Office of the Directorate of PS staff and project HRM staff	April 2003 to June 2004	Mr. Liborio has indicated a need for 8,000 copies of the act. The presumption is that the project HRM staff will provide most of the support for this task. But there may be occasions when specialized consultant input is required.	VH, H, M, L depending on the regulation: see attached list
Strengthening HRM capacity					
14. Develop job descriptions for the DPS		Director of DPS, Mr. Liborio and project HRM staff			VH
15. Develop explanatory	\$25,000	Directorate	July 2003 for the	These aim to be simple	H

Activity	Resources		Tentative Timeline	Notes	Priority
pamphlets for public servants, in Bahassa and Portuguese.	(translation and printing)	of PS and project HRM staff	basic ones, with others throughout the project	documents, in the common written languages, for lower- and mid- level public servants. All the main legislation and regulations should be captured in these documents.	
16. Develop a personnel management information system	(\$2,2 million, form development, training, IT support, etc.)	Directorate of PS staff, project HRM staff, IT specialists	May (development) June (training) July (implementation)	A computerized database of employees already exists in the budget office. (A much less complete database (a few thousand civil servants) also exists in the DPS.) Any new computerized system should build on this system. However, the PMIS also includes basic paper data filing systems	VH
17. Furnish the Directorate of PS offices	\$8000	RPA			M
18. Furnish key Steering Committee Offices	\$3000	RPA			M
Training					
19. Hold introductory seminar on HRM	\$5000 (seminars)	CSA and project HRM staff	June/July 2003	Basic introductory seminar on the act, its means of implementation, and transitional arrangements. One week long seminar may be necessary.	VH

Activity	Resources		Tentative Timeline	Notes	Priority
20. Train CSA staff to plan, deliver and coordinate training programmes; coordination mechanisms and formal systems for assessing training needs are established	\$1000 (training materials and rooms)	Project HRM staff	August 2003		M
21. Finalize CSA business plan		CSA management and RPA	August 2003		M
22. Develop a training programme for HRM personnel in the new system and in transitional arrangements, and implement	\$100,000 (implementation outsourced to firm)	CSA and project HRM staff	August 2003 to October 2003 for the 2003/4 fiscal year plan, implementation October 03 to June 04; May 2004 for the 04/05 fiscal year plan	Training conducted on human resource planning and training needs assessment techniques. Ministries and agencies assisted in the preparation of their human resource development plans	M
Undertake Executive Secretariat Training.	\$30,000	CSA and project HRM staff	November 2003		M
Twinning arrangement established with a civil service training centre in a Portuguese-speaking or civil-code country	\$15,000 (mainly for travel to twinned centre)	RPA and CSA	October 2003	The aim of the arrangement is to foster an continuing capacity transfer arrangement (such as FUNDAP)	M



United Nations Development Programme
 TIM/02/019 - Decentralisation and Local Governance
 Budget - Revision "C"
 Main Source of Funds: 01 - UNDP-IPF / TRAC - (Trac 1.1.1 & 1
 Executing Agency: UNDP - Direct Execution

Sbln	Description	Implementing	Funding	Total	2003
010	PERSONNEL				
011	International Consultants				
011.01	Decentralisation Policy Expert	UNDP	Net Amount W/M Total	38,000 1.5 38,000	38,000 1.5 38,000
011.02	Local Governance Expert	UNDP	Net Amount W/M Total	47,000 3 47,000	47,000 3 47,000
011.03	Fiscal Decentralisation Expert	UNDP	Net Amount W/M Total	47,000 2.5 47,000	47,000 2.5 47,000
011.04	Social Anthropologist	UNDP	Net Amount W/M Total	35,000 1.5 35,000	35,000 1.5 35,000
011.05	Legal Drafting Expert	UNDP	Net Amount W/M Total	35,000 1.5 35,000	35,000 1.5 35,000
011.06	Local Government Management Expert	UNDP	Net Amount W/M Total	40,000 2 40,000	40,000 2 40,000
011.07	Decentralisation Support Expert	UNDP	Net Amount W/M Total	35,000 1 35,000	35,000 1 35,000
011.99	Line Total	-----	Net Amount W/M Total	277,000 13 277,000	277,000 13 277,000
013	Administrative Support				
013.01	Admin. Support Personnel	UNDP	Net Amount W/M Total	15,000 5 15,000	15,000 5 15,000
013.99	Line Total	-----	Net Amount W/M Total	15,000 5 15,000	15,000 5 15,000
017	National Consultants				
017.01	Local Administration Expert	UNDP	Net Amount W/M Total	5,000 5 5,000	5,000 5 5,000
017.02	Sociologist	UNDP	Net Amount W/M Total	5,000 5 5,000	5,000 5 5,000



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Sbln	Description	Implementing	Funding	Net Amount	Total	2003
017.03	Workshop facilitators	UNDP		W/M 1,000	1,000	1,000
				Total 1	1,000	1,000
017.04	Interpreter/translator	UNDP		Net Amount 2,000	2,000	2,000
				Total 2,000	2,000	2,000
017.99	Line Total	-----		Net Amount 13,000	13,000	13,000
				W/M 11	11	11
				Total 13,000	13,000	13,000
019	PROJECT PERSONNEL TOTAL	-----		Net Amount 305,000	305,000	305,000
				W/M 29	29	29
				Total 305,000	305,000	305,000
020	CONTRACTS					
021	Contract A					
021.01	Sub-Contract (Rental)	UNDP		Net Amount 8,000	8,000	8,000
				Total 8,000	8,000	8,000
021.99	Line Total	-----		Net Amount 8,000	8,000	8,000
				Total 8,000	8,000	8,000
029	SUBCONTRACTS TOTAL	-----		Net Amount 8,000	8,000	8,000
				Total 8,000	8,000	8,000
030	TRAINING					
034	Conferences & Meetings					
034.01	Workshop / Seminar	UNDP		Net Amount 35,000	35,000	35,000
				Total 35,000	35,000	35,000
034.99	Line Total	-----		Net Amount 35,000	35,000	35,000
				Total 35,000	35,000	35,000
039	TRAINING TOTAL	-----		Net Amount 35,000	35,000	35,000
				Total 35,000	35,000	35,000
040	EQUIPMENT					
045	Equipment					
045.01	Equipment	UNDP		Net Amount 15,000	15,000	15,000
				Total 15,000	15,000	15,000
045.99	Line Total	-----		Net Amount 15,000	15,000	15,000
				Total 15,000	15,000	15,000
049	EQUIPMENT TOTAL	-----		Net Amount 15,000	15,000	15,000
				Total 15,000	15,000	15,000
050	MISCELLANEOUS					
052	Reporting Costs					
052.01	Reporting costs	UNDP		Net Amount 7,000	7,000	7,000
				Total 7,000	7,000	7,000
052.99	Line Total	-----		Net Amount 7,000	7,000	7,000



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Sbln	Description	Implementing	Funding	Total	2003
053	Sundries		Total	7,000	7,000
053.01	Sundries	UNDP	Net Amount Total	8,075 8,075	8,075 8,075
053.99	Line Total	-----	Net Amount Total	8,075 8,075	8,075 8,075
059	MISCELLANEOUS TOTAL	-----	Net Amount Total	15,075 15,075	15,075 15,075
099	BUDGET TOTAL	-----	Net Amount W/M Total	378,075 29 378,075	378,075 29 378,075