



# Local Governance Support Programme

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## Timor Leste

### COUNTRY-LEVEL JOINT PROGRAMME ANNUAL NARRATIVE PROGRESS REPORT 2009



**COVER PAGE****Participating UN Organizations:**

UNCDF, UNDP

**Area/Theme:**

Local Development/Decentralization  
Poverty Reduction

**Joint Program 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 Program 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

	<u>Pass-through funding</u>	
GoTL:	US\$ 1,835,515.70	No
Irish Aid:	EUR 365, 250.00	Yes
NOR:	US\$ 86, 378.00	Yes

**Report Number:**

**Reporting Period:** Jan-Dec 2009

**Joint Program Budget by Participating UN Organization**

(for pass-through funding only):

UNCDF: US\$ 665,255

UNDP: US\$ 742,159

**Partners:**

- World Bank

**Program 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

<sup>1</sup> The total population of Timor-Leste is 924,642 according to the latest census conducted in 2004.

***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 Program
LGOS	Local Government Options Study
LGSP	Local Governance Support Program
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	Program Steering Committee
SDA	Sub-District Assembly
SDDC	Sub-District Development Committees
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Program

***Programme/Project  
Timeline/Duration***Overall Duration

2007 - 2011

Original Duration

2007 - 2011

Programme/ Project Extensions

N/A

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## ***I. Main achievements and Lessons Learned in 2009***

*The year 2009 was marked by important achievements in piloting processes and procedures for decentralization and local governance and strengthening local capacities for public service delivery. In addition, LGSP supported the development of key cornerstones of the legal and regulatory framework for decentralization, while building upon the experience made and Lessons Learned from the local level piloting through the Local Development Programme (LDP).*

### **MAIN ACHIEVEMENTS**

#### **➤ Local pilot assemblies successfully managed 132 project with a total budget of USD 1.8 million**

In 2009, Local Assemblies successfully managed local planning, budgeting, procurement, implementation and monitoring of 132 small-scale infrastructure projects with a total budget of USD 1.8 million in eight pilot districts. The average budget per project totalled USD \$ 17,058. All pilot districts successfully passed the Minimum Conditions Evaluation for 2009, which was conducted in early 2010. The Minimum Conditions Evaluation assesses the management of projects by Local Assemblies along 10 Minimum Conditions criteria, measuring accountability, transparency and local contributions made to the projects. This is a pre-condition for districts to receive an allocation from the Local Development Fund in the following year.

#### **➤ LDP consolidated in eight districts and local capacities further strengthened**

In 2009, LDP consolidated its approach through continued piloting in eight (8) districts, strengthening local capacities for participatory planning, budgeting, procurement, implementation and monitoring. Refresher trainings in specific areas of need for capacity development, specifically project design, financial management, and procurement, complemented the learning-by-doing approach, which allows for practical training-on-the-job.

#### **➤ Lessons Learned from piloting taken into account for fine-tuning of LDP**

A thorough analysis of Lessons Learned from the piloting on the ground in eight districts continued throughout 2009, allowing for an adjustment of the LDP regulations in order to further refine and adjust the LDP approach and address any weaknesses.. In response to challenges identified, adjustments were made with regard to the LDP regulations, e.g. to further strengthen financial accountability and oversight.

#### **➤ Government decision to up-scale makes it LDP nation-wide local development programme**

Originally piloted in four districts, the (new) GoTL decided to expand the LDP to an additional four districts in late 2007, bringing the coverage of the programme up to eight (8) out of thirteen (13) districts in 2008 and 2009. In recognition to LDP's overwhelming success, the Government decided to upscale and expand the LDP to additional five (5) districts in late 2009, marked by a decision by the National Parliament. This will make the LDP a nation-wide local development programme, which covers all 13 districts in the country, starting in early 2010.

➤ **Decentralization laws submitted to parliament and partially approved**

Building on LGSP's policy advisory support provided throughout 2008, the set of three Local Government laws was submitted by the government for approval to the National Parliament (NP). The first of this set of laws, the Law on Administrative and Territorial Division, was approved by the NP in mid-2009 and promulgated by the President of the Republic. Deliberations in the NP on the Local Government started. The Local Government law and Municipal Elections Law are pending approval by parliament.

➤ **Key cornerstones of subsidiary legislation for decentralization drafted**

LGSP provided support to the drafting of the key cornerstones of the subsidiary legislation, i.e. decrees and regulations that specify and complement the basis laws, such as on municipal planning, public financial management, and procurement. The technical input for the subsidiary legislation heavily builds on lessons learned generated through the LDP, as well as takes into account international best practices. LGSP accompanied the MSATM in this process, supported by a large number of technical assistance missions, resulting in high-quality advisory support to the drafting of the legal and regulatory framework for decentralization. This process included follow-up discussions with the MSATM Council of Directors, the decision-making body within the Ministry of State Administration and Territorial Management, as well as consultations with a large number of stakeholders.

➤ **Communication and outreach activities up-scaled**

LGSP up-scaled its support to the Ministry of State Administration and Territorial Management in communication and outreach for local governance and decentralization: information has been made available through the MSATM website, monthly bulletins, radio broadcasting, brochures, pamphlets as well as workshops and brown-bag lunch meetings. In addition, civic education for local governance has been piloted, reaching over 4,000 citizens in local communities in Lautem and Manufahi districts. Partnerships with line Ministries (e.g. Ministry of Education) and other Development Partners have been built to strengthen communication or decentralization and local governance.

**KEY LESSONS LEARNED**

➤ **Need to continue development of LDP approach towards more integrated local development**

Overall, the LDP has proved to be a successful model for local development and small-scale infrastructure provision, which effectively contributes to poverty reduction and improved local governance. In recognition to its success, the GoTL decided to upscale the LDP to a nation-wide program, covering all 13 districts in the country as of early 2010.

Nevertheless, it has become evident that piloting will need to continue in order to further develop and refine the LDP approach and utilize the LDP as a vehicle for preparing districts for becoming municipalities and developing capacities to assume new roles and responsibilities in the context of decentralization. This approach could include introducing an evidence-based policy-making and territorial approach to local development through a systematic analysis of

Strengths, Weaknesses, Opportunities and Threats (SWOT) and a broader set of activities, ranging from local economic development promotion to social and environmental protection measures. An expanded approach would also need to strengthen the lead role of local authorities in coordinating donor activities at the districts level.

➤ **Need to expand technical support and consultations with other Ministries**

LGSP has supported the consultation process on decentralization with all Ministries through the Ministerial Technical Working Group (MTWG), which is coordinated by the Ministry of State Administration. Building on this consultation process, additional technical support was provided to the Ministry of Health and Ministry of Infrastructure in developing so-called Sector Decentralization Strategic Frameworks (S-DSFs), short papers, which outline how roles, responsibilities and processes within these ministries will need to be adjusted in the contexts of decentralization. In addition, LGSP provided policy advisory support with regard to the future municipal finance system to the MSATM and Ministry of Finance, through a joint support activity with the World Bank-managed Public Financial Management Capacity Building Program (PFMCBP).

Despite of this support, it has become evident that the involvement of the line Ministries as well as the Ministry of Finance in the decentralization process will need to be further strengthened. Additional technical support will be required to effectively prepare these ministries and strengthen capacities for assuming their new roles and responsibilities in the context of decentralization.

➤ **Need to support the development of a government-led platform for donor coordination: the Joint National Decentralization Program (JNP)**

LGSP has been supporting the MSATM in managing donor relations and coordinating donor support with regard to decentralization reforms. Given a rising interest of Development Partners' in providing support to decentralization reforms as well as direct support at the local level, it has become increasingly challenging for the MSATM to effectively manage and coordinate donor support and to avoid any overlap and duplication of activities.

In response to this challenge, LGSP has started to support the GoTL in developing a Joint National Decentralization Programme (JNP), a government-led coordination platform for support in the area of decentralization. MSATM has requested LGSP to expand its support to the GoTL in launching and effectively managing the JNP.

## ***II. Project Purpose***

There is a firm commitment towards decentralization and local governance in Timor-Leste, which is reflected in the Constitution of Timor-Leste<sup>2</sup> as well as the previous and current governments' policies and decisions to advance decentralization in Timor-Leste. While the state remains highly centralized to date, the GoTL under the leadership of MSATM, has proceeded with the development of a policy framework for decentralization since 2003. This development reached a peak in 2009, when a set of three Local Government Laws was submitted to the NP. While the first of this set of laws, the *Law on Administrative and Territorial Division*, was approved by the National Parliament and promulgated by the President in mid-2009, the *Local Government Law* and *Municipal Elections Law* are pending approval by parliament. LGSP's rationale needs to be seen within the overall context of the ongoing policy-making process for decentralization reforms in Timor-Leste.

LGSP is the successor programme to two separate, but interrelated projects; the Local Government Options Study (LGOS) 2003-6 and the Local Development Programme (LDP) 2004-6. The LGSP is a joint programme funded by GoTL, Irish Aid, the Government of Norway, UNDP and UNCDF; it is being implemented over a 5-year period (2007-2011).

The overarching goal of the LGSP is to contribute towards poverty reduction in Timor-Leste. The Programme's objective is to support the establishment of accountable and effective local government and Decentralisation, by endowing accountable local government bodies with greater responsibilities for planning, budgeting, and implementation of infrastructure and service delivery, is expected to 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 builds on 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 initially took place under the same arrangements as applied to the LDP – with Local Assemblies operating on the basis of Ministerial Decree MAEOT No. 8/2005<sup>3</sup>. Pilot activities have been implemented in initially four, later eight Districts<sup>4</sup>. As of 2010, the programme will be up scaled to all 13 districts in the country, making it no longer a pilot but a nation-wide local development programme. Nevertheless, the testing of new processes and procedures through the LDP will continue. Once a District is “municipalised” in the context of decentralization, LGSP will operate intensively in the ex Districts (and new Municipalities) to further pilot and fine-tune local government systems and procedures, while strengthening local capacities for public service provision.

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<sup>2</sup> Constitution of Timor-Leste Article 5 and 71

<sup>3</sup> The Ministerial Decree MAEOT No. 1/2008-Local Assemblies replaces MD No.8/2005.

<sup>4</sup> As of January 2008, eight districts have been selected: Bobonaro, Lautem, Manatuto, Aileu, Ainaro, Manufahi, Baucau and Covalima.



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

The delivery of this output<sup>5</sup>, which continues the work started by the LGOS, supports the development of a policy framework for the establishment of a fully-fledged local government system in Timor-Leste. This component supports the drafting, discussions and consultations on a series of policies and legal instruments, which will be submitted to the National Parliament (in the case of laws) or Council of Ministers (decree laws), for review and approval. This includes the basic Local Government laws as well as a series of decree laws and regulations, which are intended to specify and complement the basic laws.

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

The third LGSP output<sup>6</sup> concerns the actual set up of Municipalities and the institutional/legal framework that is being established with programme support (as specified under output 2). How LGSP will provide the government with support for implementation of local government reforms will depend largely on final decisions about the phasing of this process. Since the Local Government laws are still pending approval by NP, LGSP has so far focused on communications and civic educations activities for this component.

The programme is developed and implemented as an integrated part of the Ministry of State Administration and Territorial Management (MSATM), and works directly with and is embedded in the National Directorate for Local Development and Territorial Management (DNDLOT), which was created in 2008 to oversee the LDP pilot and the decentralization reform process.

The Joint Programme is linked to the **UN Development Assistance Framework 2009-2013 (UNDAF)** 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 project aims to support the National Priorities of Timor-Leste, in particular the goal to ‘promote decentralization and local government reforms process’<sup>7</sup>.

This Joint Programme is implemented by UNDP and UNCDF.

### **III. Financial and Human Resources**

The Programme is funded by Irish Aid, the Government of Norway, UNDP and UNCDF. The Government of Timor-Leste also provides funds to the Local Development Programme, one of the LGSP components.<sup>8</sup>

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<sup>5</sup> 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.

<sup>6</sup> 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.

<sup>7</sup> 2010 National Priority 6 – Good Governance

<sup>8</sup> The government fund is not channelled through pass-through funding mechanism of the Joint Programme.

In terms of Human Resources, the number of Programme staff is 19 staff (as of 31 December 2009), which includes 2 international staff and 17 national staff.

#### **IV. Implementation and Monitoring Arrangements**

The Programme reports on a quarterly basis on the progress against assigned outputs and activities, challenges and issues in the consolidated report. Annual reports are prepared and shared with the Ministry of State Administration and Territorial Management (MSATM) as well as donors, reporting on the achievements made and challenges encountered during the year.

An internal programme review was conducted in August 2008, which had the main objective to evaluate LGSP design and progress. An external mid-term evaluation is scheduled to take place in March 2010, as part of the UNCDF Special Project Implementation Review Exercise (SPIRE) 2010-11.

#### **V. Activities, Achievements & 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 progress of the programme during the period between January and December 2009<sup>9</sup>. This is a narrative report and is intended to summarise the main achievements and challenges encountered during the third year of programme implementation.

For additional information regarding the rationale for previous activities and achievements please see the Local Development Programme (LDP) annual progress reports for 2005 and 2006, in addition to LGSP annual reports 2007 and 2008, which are considered as a reference to this 2009 annual progress report. Additional information can be accessed at [www.uncdf.org](http://www.uncdf.org) or [www.estatal.gov.tl](http://www.estatal.gov.tl).

#### **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.*

Initially piloted in four (4) districts (Aileu, Bobonaro, Lautem and Manatuto), starting in 2005, the Government decided in late 2007 to expand the Local Development Programme (LDP) to an additional four (4) districts, bringing its coverage up to eight (8) out of thirteen (13) districts or a total of 51 percent of the population in Timor-Leste. At the end of 2009, the GoTL decided to upscale and expand the LDP to additional five (5) districts as of 2010, making it a nation-wide local development programme, which covers all 13 districts in the country starting in January 2010.

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<sup>9</sup> Local Governance Support Programme project document, p. 17 (Results and Resources Framework); also see LDP Annual Progress Report 2005 & 2006.

## **1.1: Establishment of and support to Local Assemblies**

The legal basis for establishing the Local Assemblies (LAs) is the *Ministerial Decree No. 8/2005 – MSA regarding Local Assemblies*, which has the objective to ensure a high degree of community representation and participation in planning, decision-making and oversight. Based on previous experience 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.

In line with the revised Government policy, which foresees the establishment of the future municipalities at the level of the current districts, it was decided that only District Assemblies (and no Sub-District Assemblies) were to be established in the second batch of pilots, while the first (four) pilot districts would continue to operate with both District and Sub-District Assemblies. The objective of this decision was to test and generate lessons from two possible Local Government models in Timor-Leste.

To compensate for 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.

Overall, the structure of the LAs proved to work very well, although there is still room for improvement: experience has shown that the second model piloted with decision-making power at the district level proved more effective in terms of generating proposals for larger projects. This model encourages competition between project proposals, settings incentives for proposals of sound technical quality as well as project proposals, which benefited various sucos and enhance coordination of activities, going beyond the boundaries of a single suco.

### **1.1.1 Capacity Development of Local Assembly Members**

Starting in 2005, an extensive supply-driven capacity-building programme was started and tested, initially in Bobonaro district. Over time, this integrated approach, which combines training-on-the job with supplementary training sessions, was applied in all eight pilot districts. Lessons learned were incorporated in the design of the approach and adjustments were made to the training modules. The programme consists of the following 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

In 2009, capacity development activities focused on refresher trainings on local finance and procurement procedures. Following refresher trainings for staff members, trainings were provided for District Assembly (DA) members, in particular for District Administration Treasury (DAT) and Planning and Implementation Committee (PIC) members with the objective to strengthen their technical skill and

understanding on Local Planning, Finance and Procurement processes as well as strategic planning skills.

In total five (5) days refresher training on Local Finance and Procurement Procedures were conducted for Local Assemblies in all (eight) pilot districts. Two days refresher training on local finance and procurement were conducted in February 2009 in Dili for District Administration Treasury (DAT), Finance Administration Team (FAT), Local Tender Board (LTB), Planning and Implementation Committee (PIC) members from Covalima, Manufahi, Ainaro and Baucau district with a total of 30 participants. Three (3) days of refresher training were also conducted in Aileu, Bobonaro, Manatuto and Lautem districts. In total 131 participants attended these trainings.

In eight pilot districts, two-day refresher trainings were held in August and September in order to improve capacities of the District Administration Treasury and Finance Teams on financial reporting based on Local Finance procedure. These refresher training started with a training needs assessment on finance and assessment of participants' knowledge on financial reporting, especially with regard to filling in the requirement financial reporting templates. In total, 84 participants participated in the training and six (6) out of them were women.

As part of the training evaluation, conducted at the end of the training, most of participants indicated that they had a good level of understanding of local finance and procurement procedures and were able to fill in the information required in LDP finance and procurement templates. In addition, they also indicated the need for additional regular training on Local Planning, Finance and Procurement procedures and processes and felt that the "learning by doing" supported by LDP was the best approach for capacity development.

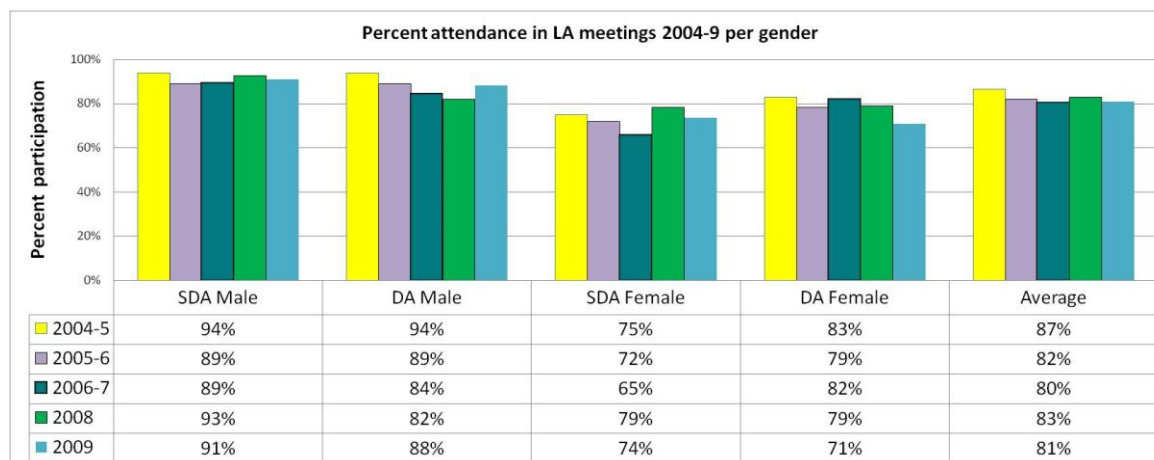
In addition, AutoCAD trainings were held in April to enhance district technical staff capacities on project design with AutoCAD software. A first group training was held in Baucau district with participants from Lautem, Aileu, Manatuto in Baucau district and second group was held in Dili with participants from Ainaro, Covalima, Bobonaro no Manufahi district. Twenty five (25) technical staff participated in the training. In addition, refresher trainings were held in August to improve the capacity of six (6) technical staff, those who were still weak in using AutoCAD for project design. The training resulted in improved capacities to use AutoCAD software to design projects for 2010.

### **1.1.2 Participation in Local Assembly meetings by gender**

The LDP has now been operational for five years and 27 out of 29 Local Assemblies conducted four regular meetings per year and, in average, one extra ordinary meeting per year, in line with the Ministerial Decree Law no 9/2008.

As part of the M&E strategy, the level of participation in the Local Assemblies has been closely monitored (see figure below): while declining slightly over time, the overall attendance in DA and SDA meetings has been relatively stable over the whole period, with an average participation of 81 percent in Local Assembly meetings in 2009. However, the participation of women in assembly meetings was lower than the participation of men, especially at the SDA level- just as in previous years. The main reasons stated by women for lower levels of participation in assembly meetings were the lack of transport (reflected especially in lower participation in DA meetings), absence due to pregnancy or child delivery, or due to a high work load related to child care.

Figure 1: Breakdown of attendance in LA meetings (2004 – 2009).



In addition, female assembly members appeared to participate less actively in discussions and decision-making in assemblies meeting. Given these challenges, it is questionable whether the projects identified through participatory processes fully reflected both men's and women's needs and priorities. In order to address these shortcomings, LGSP has included the development of a gender mainstreaming strategy in its Annual Work Plan for 2010, in partnership with the UNDP Gender Advisor and UNIFEM, aiming at a more systematic mainstreaming of gender issues throughout project implementation.

## 1.2: Establishment of and Support to Local Planning Process (LPP)

Three Directives were issued by the Ministry of State Administration, guiding the District and Sub-District Assemblies on how to consult, identify, appraise, prioritise and prepare costing and design; the *Ministerial Directive 3/2005 – DNAT/MSA Sub-District Planning Guidelines*, and *Ministerial Directive 4/2005 – DNAT/MSA District Planning Guideline* and *Ministerial Decree No.9/2008 District Planning Guidelines*. The aim of these guidelines is to establish basic standards in the planning process at local level, while ensuring a 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 Planning Process (LPP) and the Local Development Fund (LDF)

Overall, the Local Planning Process, supported by the LDP at the District and Sub-District level proved effective in identifying, appraising and prioritising local-level infrastructure projects. The process has now been tested over five years and with 29 LAs in the eight pilot districts. The Suco Councils continued to provide most of the “raw” input into the planning process through community meetings, and the efforts of District and Sub-District 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. Nevertheless, it can be noted that sector representation throughout the LDP process could be strengthened.

In January 2009, the Government approved the state budget for FY 2009, and eight districts were

included in the LDP. In total, the Government approved a financial allocation of US\$ 1,835,515 for the LDF, including US\$ 1,660,000 for capital investments and US\$ 175,515 for recurrent costs. The per capita allocation declined from US\$ 4 to US\$ 3.50, in comparison to FY 2008, as a result of budget constraints and the need to allocate funding for four new municipal administrative buildings for 2009 in anticipation of the municipal elections and the establishment of new local governments scheduled for the end of the year.

Since the planning process for FY 2009 had already been conducted in 2008, based on a per capita allocation of \$4, this planning had to be adjusted in early 2009, taking into account budget cuts. Table 1 below shows per capita annual allocations as per actual approved 2009 budget.

**Table 1: New LDF capital and recurrent figures for 8 pilot districts for FY 2009**

<b>District</b>	<b>Capital (US \$)</b>	<b>Recurrent (US \$)</b>	<b>Total budgets 2009 (US \$)</b>
Bobonaro	\$ 289,000.00	\$ 31,612.00	\$320,612.00
Lautem	\$ 202,000.00	\$ 23,199.70	\$225,199.70
Aileu	\$ 130,000.00	\$ 17,605.00	\$147,605.00
Manatuto	\$ 135,000.00	\$ 22,018.00	\$157,018.00
Ainaro	\$ 187,000.00	\$ 16,167.00	\$203,167.00
Baucau	\$ 366,000.00	\$ 24,821.50	\$390,821.50
Covalima	\$ 196,000.00	\$ 21,970.50	\$217,970.50
Manufahi	\$ 155,000.00	\$ 18,122.00	\$173,122.00
<b>Total</b>	<b>\$ 1,660,000.00</b>	<b>\$175,515.70</b>	<b>\$1,835,515.70</b>

### 1.2.2 Local Planning Process – revision in 2009

With decreased capital allocations, the LAs, which had already approved their annual plans for 2009 had to revise their annual plans and budgets for FY 2009. While initially 132 proposals with a total investment of US \$ 1,887, 043 had been approved for funding under LDF allocation in eight districts, the number of proposals had to be cut to 117 with a total investment budget of US\$ 1,658,674. After the procurement processes were completed, additional 14 projects were included as a result of savings made from the procurement process. Overall, 131 capital investment projects were planned and implemented during FY 2009.

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<sup>10</sup>. The LPP was also designed to allow sector-departments to submit their investment priorities to the LAs. It is important to note that only 19 projects out of the 131 funded were proposed by sector department and the majority of 112 projects proposals came from the Suco level.

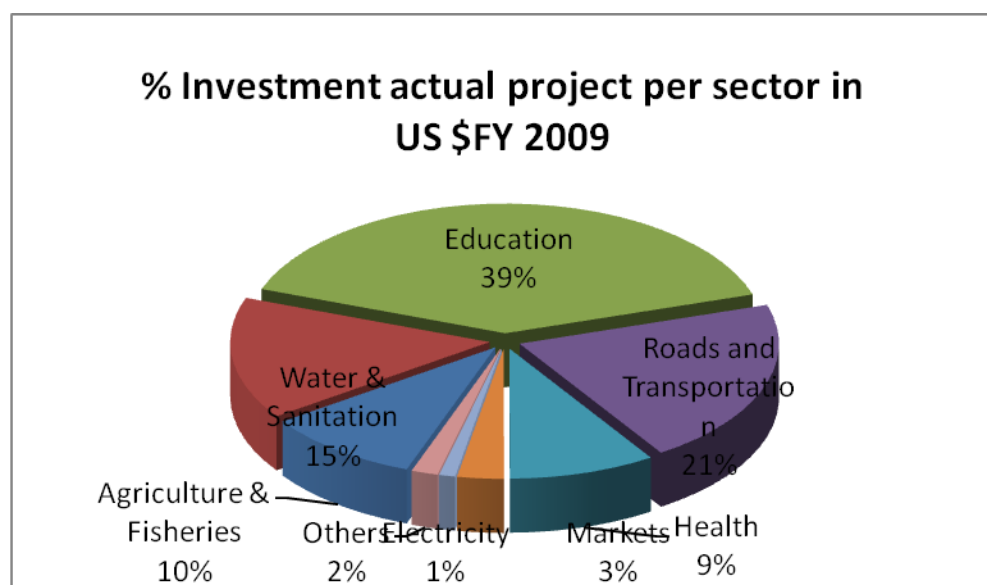
Each assembly has established a Planning and Implementation Committee (PIC) as part of the institutional framework. The PIC is given the responsibility for verification and appraisal in addition to the preparation of basic designs and costing of eligible priority proposals during the planning process. The LGSP provided technical assistance during the preparation for bidding documents and invitations to bid, as well the evaluation of bids for projects approved for 2009.

<sup>10</sup> The decision on 2 or 3 proposals was made by the assemblies in their first meeting.

In assessing the total investments per sector allocated for FY 2009 for all eight Districts, three main sectors received approximately 75 percent of the total budget: education (39%), water supply (21%), roads (15%) and. In addition the health and agriculture sector absorbed a significant proportion of the remaining LDF allocation: health (9 %) and agriculture (10%).

Below is an overview of the results from the planning process and the final approved annual budgets in 2010. For a breakdown per district please see Annex 2.

**Figure 1: Total capital investments per sector FY 2009**

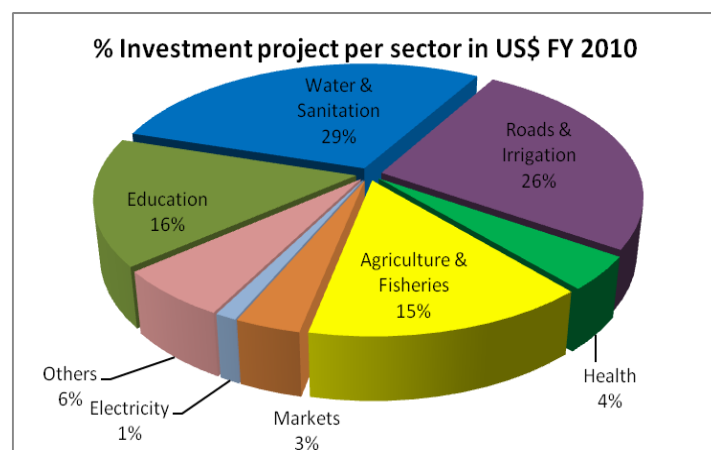


### 1.2.3 Local Planning Process for FY 2010

The planning process for FY 2010 was conducted between March and September 2009 and resulted in 132 approved investment projects. During the planning process, technical support was provided by the joint government - LGSP staffed team throughout the regular LAs meetings. While some LAs (e.g. Bobonaro, Lautem) managed the process very well and conducted their meetings and planning, finance and procurement processes in line with the LDP regulations (Ministerial Decree Law no.9/2008, 3&4), other LAs (e.g. Aileu, Ainaro and Baucau) required additional support. In Ainaro, the position of the District Development Officer (DDO), as key staff to coordinate development activities, was not filled, resulting in difficulties to conduct the process.

The following chart gives an overview on planned investment for 2010 per sector:

**Figure 2: Planned Investment per sector in 2010**



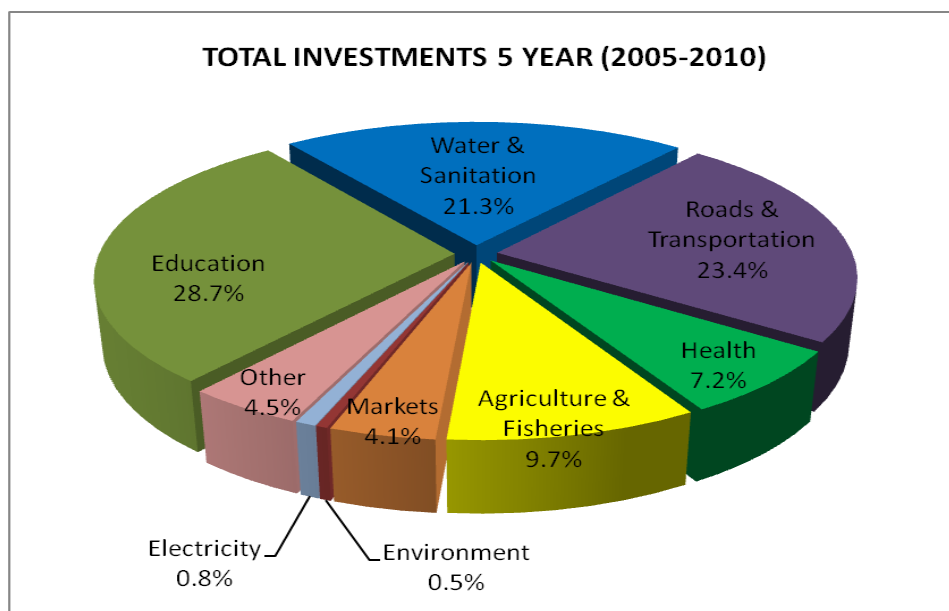
Please see Annex 4 for an overview of annual LDP investment per sector per pilot district for FY 2009.

#### 1.2.4 Overview LDF investments 2005 – 2010

Starting in 2009 FY, the M&E team has regularly collected and updated information on investment for sectors priorities from eight districts over five years implementation of the LDP. The table below indicates the summarized figures for this period and shows the average data for investments per sector during the period of 2005 – 2010 (planned).

In total, the LDP has invested more than US \$ 6 million for 524 projects in the pilot districts over the past five years. Education, roads & transportation and the water & sanitation sector remain as key priorities among other sectors and more than US \$ 4.5 million have been invested in these three sectors: education more than US \$ 1.7 million, road & transportation more than US \$ 1.4 million and water & sanitation more than US \$ 1.3 million.

**Figure 3: Total investments per sector (2005 - 2010)**



In 2010, the cost of projects ranged from US \$ 1,000 to US \$ 87,000, which shows an increase compared to the two previous years. In average, the cost per project implemented to date is around US \$ 9,000, although the cost varies considerably from district and changed over time as well (see table below)



**Table 2: total number of projects and project cost per districts**

District	Number of Project per year					Average no. of project per district (2005-2010)	Cost Project per year					Average Cost Per Project Per District (2005-09)
	2005-6	2006-7	2008	2009	2010		2005-6	2006-7	2008	2009	2010	
Bobonaro	35	25	34	25	27	29	\$ 5,403	\$ 7,883	\$ 9,677	\$ 13,160	\$ 13,503	\$ 9,925
Lautem		29	26	25	24	26		\$ 4,753	\$ 8,846	\$ 9,200	\$ 9,500	\$ 8,075
Aileu			16	17	12	15			\$ 8,092	\$ 8,466	\$ 11,185	\$ 9,248
Manatuto			30	19	16	22			\$ 5,133	\$ 8,105	\$ 8,489	\$ 7,242
Ainaro			18	14	13	15			\$ 11,417	\$ 15,214	\$ 16,385	\$ 14,339
Baucau			19	9	13	14			\$ 21,767	\$ 46,444	\$ 36,108	\$ 34,773
Covalima			12	10	12	11			\$ 18,664	\$ 22,400	\$ 18,361	\$ 19,808
Manufahi			16	13	15	15			\$ 11,026	\$ 13,471	\$ 11,800	\$ 12,099
<b>Average</b>	<b>35</b>	<b>27</b>	<b>21</b>	<b>17</b>	<b>17</b>	<b>18</b>	<b>\$ 5,403</b>	<b>\$ 6,318</b>	<b>\$ 11,828</b>	<b>\$ 17,058</b>	<b>\$ 15,666</b>	<b>\$ 14,439</b>

The above table 2 shows that the total number of projects per districts decreased while the total cost or allocations per projects significantly increased over the past five years of programme implementation. The average cost of project in 2005 –200 6 was US \$ 5,400 while it is expected to be US \$ 15,666 in 2010. This might be 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 more strategic, larger priority projects, which benefit various sucos, instead of dividing the funds into smaller projects to “satisfy” more Sucos.

### 1.3: Support to Local Procurement Processes

The amended Government procurement law from 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 LDP procurement regulation for the local level is a simplified version of the national procurement law but 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 for 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.<sup>11</sup> 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.<sup>12</sup> 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.<sup>13</sup> The decision to establish a local process which used documentation based on national norms has meant that the procurement process for “Small Works”<sup>14</sup> 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 processes in FY 2009**

In general, local procurement processes were successfully conducted by Local Tender Boards and in total 131 projects committed to be funded with a total amount of US \$ 1,642,762. Initially 117 projects were approved by Local Assemblies to proceed with procurement process. However, it was found through District Integration Workshops (DIWs) that two (2) were not eligible and hence excluded from the tender process. These two projects were a water supply project in Baucau district and a mini market project in Manatuto district. The water supply project was cancelled as result of miscalculation of cost by technical staff and the mini market was included in planned projects for Ministry of Economy and Development budget. The budget from these two cancelled projects resulted in savings of US \$ 86,590, which together with an unallocated budget of US \$ 1,320 were used to fund 16 additional projects.

Tender processes were conducted through a competitive process. 418 local companies submitted their proposals for bidding and 257 out of 418 companies were eligible, but only 131 companies were selected for implementation of 131 projects.

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<sup>11</sup> This monetary threshold was based on the first draft of the national procurement law.

<sup>12</sup> 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.

<sup>13</sup> Pre-qualification is each year prepared by the National Public Works Department, and is an official list of pre-qualified contractors.

<sup>14</sup> Small works are defined as any Works below US\$ 50,000.

Table 3 below provides an overview on local procurement processes in the eight pilot districts in 2009:

**Table 3: Local procurement in all districts FY 2009.**

District	Number of Project per year					Average no. of projects per district (2005-2010)	Cost Project per year					Average Cost Per Project Per District (2005-09)	Total Investment budget 2005-2009
	2005-6	2006-7	2008	2009	2010		2005-6	2006-7	2008	2009	2010		
Bobonaro	35	25	34	25	27	29	\$ 5,403	\$ 7,883	\$ 9,677	\$ 13,160	\$ 13,503	\$ 9,925	\$ 979,410
Lautem		29	26	25	24	26		\$ 4,753	\$ 8,846	\$ 9,200	\$ 9,500	\$ 8,075	\$ 570,286
Aileu			16	17	12	15			\$ 8,092	\$ 8,466	\$ 11,185	\$ 9,248	\$ 275,837
Manatuto			30	19	16	22			\$ 5,133	\$ 8,105	\$ 8,489	\$ 7,242	\$ 289,000
Ainaro			18	14	13	15			\$ 11,417	\$ 15,214	\$ 16,385	\$ 14,339	\$ 399,945
Baucau			19	9	13	14			\$ 21,767	\$ 46,444	\$ 36,108	\$ 34,773	\$ 780,030
Covalima			12	10	12	11			\$ 18,664	\$ 22,400	\$ 18,361	\$ 19,808	\$ 407,819
Manufahi			16	13	15	15			\$ 11,026	\$ 13,471	\$ 11,800	\$ 12,099	\$ 331,052
<b>Average</b>	<b>35</b>	<b>27</b>	<b>21</b>	<b>17</b>	<b>17</b>	<b>18</b>	<b>\$ 5,403</b>	<b>\$ 6,318</b>	<b>\$ 11,828</b>	<b>\$ 17,058</b>	<b>\$ 15,666</b>	<b>\$ 14,439</b>	<b>\$ 504,172</b>
<b>Total</b>	<b>35</b>	<b>54</b>	<b>171</b>	<b>132</b>	<b>132</b>	<b>147</b>	<b>\$ 5,403</b>	<b>\$ 12,636</b>	<b>\$ 94,622</b>	<b>\$ 136,460</b>	<b>\$ 125,331</b>	<b>\$ 115,509</b>	<b>\$ 4,033,379</b>

\*Savings are to be re-allocated to new projects in 2009

\*\* 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

All locally-procured projects were contracted out to a wide range of local contractors –not to Dili-based contractors. This indicates that there is (i) no scarcity of local contractors and (ii) 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 the local level. In total 131 contracts were handled by the LAs in 2009.

Based on experience from previous years, it has proven necessary to have a Project Oversight Committee (POC) to control implementation of projects by local companies for each projects. Consequently, 111 Project Oversight Committees (POCs) were established during the reporting period in order to control physical implementation of projects. These committees consisted of project beneficiaries. The committees oversaw and regularly reported to Technical staff on the progress of the projects' implementation. Twenty (20) projects (out of 131) did not established POCs as they were considered very small and, therefore, a strict control by beneficiaries for quality improvement not deemed necessary.

The table 4 below shows an overview of a status of project implementation:

No	Name of District	Total Projects	# project completed	# project still ongoing	% progress per district
1	Bobonaro	27	27		100%
2	Lautem	17	17		100%
3	Aileu	14	14		100%
4	Manatuto	19	18	1	97%
5	Ainaro	15	15		100%
6	Baucau	11	8	3	88%
7	Covalima	9	9		100%
8	Manufahi	19	19		100%
<b>TOTAL</b>		<b>131</b>	<b>127</b>	<b>4</b>	<b>97%</b>

According to the table, 127 out of 131 projects (97%) were completed by the end of December 2009, while 4 projects were still ongoing. The table shows that 6 districts completed all contracts by the end of FY 2009, while Baucau and Manatuto are still behind: 8 out of 11 projects were completed in Baucau, and 18 out of 19 projects were completed in Manatuto district. In the 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\$ 50,000), which seems to be the main reason for delays in completing the projects. In the case of Manatuto, the projects were implemented under the previous year plan (road rehabilitation) and as a requirement to start the new projects planned under the 2009 plan. As in previous years, there is still room for improvements and the Ministry of State Administration and Territorial Management together with the project team will continue providing support to the districts.

## 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”*

Feeding Lessons Learned from the LDP pilot into government policy on Decentralisation and Local Governance endowed the Ministry of State Administration and Territorial Management (MSATM) with the mandate to lead and coordinate the decentralisation process. Following an extensive drafting and discussion process, the Council of Ministers approved three law proposals for decentralization and submitted them for approval to the National Parliament in February 2009.

After the submission of the three law proposals to the National Parliament, the MSATM with technical support from LGSP, started to prepare the subsidiary legislation (decrees and regulations) as outlined in the governments roadmap for decentralization, the Decentralisation Strategic Framework-Part II (DSF-II). The subsidiary legislation is intended to specify and complement the three basic Local Government laws.

Since the basic Local Government laws are yet to be approved by the NP, the subsidiary legislation was prepared on the basis of the three draft law proposals. In 2009, the following white papers and draft regulations were prepared:

- Municipal Organisational Structure (draft organic law);
- Functional Assignments and Costing;
- Sector Decentralization Strategic Framework for MSATM
- Sector Decentralisation Strategic Framework for Ministry of Health and Infrastructure (drafts);
- Municipal Planning Guidelines (draft Municipal Development Planning and Municipal Investment Programme);
- Municipal Public Finance Management (draft Municipal Financial Management Regulation);
- Municipal Procurement (draft Municipal Procurement Regulation);
- The Relationship between Sucos (villages) and Municipalities;
- Institutional Review of MSATM (draft organic law)
- Municipal Capacity Building Strategy;

These drafts will need to be reviewed once the Local Government laws have been approved and adjusted in order to take any changes into account.

Summary descriptions of these white papers and draft regulations will be described in the forthcoming sections.

## **ACTIVITY 2.2: Regulatory Framework and Guidelines for Implementation**

### **ACTIVITY 2.2.1: Continued support to developing legislation**

In early 2009, the LGSP continued to support the drafting of the decentralization legislation. Following the drafting of a set of three basic Local Government laws, the set of laws was submitted to NP in early 2009. The first of these three law proposals, the Law on Administrative and Territorial Division,<sup>15</sup> was approved and promulgated by the President in mid-2009. This law establishes the boundaries of the current districts as territorial boundaries for the future municipalities. Sucos and aldeias will become part of the constituency of future municipalities but will not constitute an additional tier of local government. Prior to and during deliberations and informal discussions in parliament, the LGSP provided support to a number of formal and informal events, aimed at providing technical explanations and discussing the content of the draft laws with parliamentarians.

The following two laws have been submitted to NP but are pending approval:

**Local Government Law:** while discussions in NP have been initiated, the proposed law Local Government is pending discussion and approval by NP. As result of delays, municipal elections, which were planned to be held in 2009, have not taken place. It is expected that this law will be discussed and approved in early 2010 and municipal elections for the first four municipalities are scheduled for October 2010.

**Municipal Elections Law:** the law on Municipal Election is also pending discussion and approval. It is expected that this law will also be discussed and approved by the National Parliament by early-mid 2010.

### **2.2.3 Organisational Structure of Municipalities**

A technical assistance mission took place in May 2009 to support the MSATM in defining the

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<sup>15</sup>. Official Gazette *Jornal da Republica Serie I* N.º 35, 7 October 2009.

organisational structure of the future municipalities with regard to their core administrative and operational functions. Based on consultations with key stakeholders at the national and local levels, the mission recommended a structure for future municipalities and prepared a draft law on the structure of the future municipalities. These recommendations were discussed within the MSATM. Consultations with other key stakeholders will need to take place once the organic law on municipalities has been discussed and approved by Parliament.

## **ACTIVITY 2.3: Regulatory Framework for Municipal Fiscal and Financial Management**

### **2.3.1 Functional Assignment and Costing**

The objective of this support was to provide technical recommendation to Ministerial Technical Working Groups (MTWG)<sup>16</sup> with regards to which functional assignments should be transferred to newly created municipalities as part of the decentralisation process. After in-depth discussions held with various line ministries and other stakeholders, the outcome of the study a proposal with regard to which responsibilities could be devolved and delegated to the future municipalities in the context of decentralization.

### **2.3.2 Sector Decentralisation Strategic Frameworks**

Following the recommendations developed during the TA mission on functional assignments, line ministries established Technical Working Groups (TWG), which had the mandate to discuss how ministries could proceed in the context of decentralization. The Ministry of Health and Ministry of Infrastructure developed so-called Sector Decentralization Strategic Frameworks (S-DSFs), with support from LGSP. These short papers outlined which areas would be devolved or delegated to municipalities in the context of decentralization; and the roles, responsibilities and structures of these ministries that would need to be adapted in the context of decentralization.

The Ministry of Infrastructure identified the “maintenance of water supply” as a key area to be devolved to future municipalities. The Ministry of Health identified “primary health care” as an area for decentralization. The MSATM identified all the basic service currently performed by Districts and Sub-District Administration to be transferred to future municipalities. These S-DSF are still in draft forms and will be finalised, once that the two remaining decentralization laws have been approved by Parliament.

### **2.3.3 Municipal Planning, Budgeting and Implementation**

A technical support mission was fielded in 2009 to support the MSATM in designing the municipal development planning process. As an outcomes of this TA mission, draft decree laws and guidelines on Municipal Development Planning and Municipal Investment Programme were designed, based on discussions with various stakeholders, particularly with the MSATM, MoF, and District officials.

The draft decree on Municipal Development Planning regulates how municipalities will, in future, develop five years plan. A draft decree on Municipal Investment Programme defines how these five-year-plans will be turned into three years rolling program, to be updated on yearly basis.

By the end of 2009, the MSATM had discussed the overall content and is now in the process of

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<sup>16</sup> The Inter Ministerial Technical Working Group (IMTG) meets on a regular basis with the objective to discuss key issues with regard to decentralization. It includes decentralization focal points from all Ministries, which are appointed by their respective Ministers, mostly staff at Director level. Focal points report back to their respective Ministries and facilitate discussions within their Ministries with regard to decentralization issues.

transforming them into decree laws and regulations. However, adjustment will be necessary, once the law on local government is approved and promulgated by the National Parliament. In addition, the technical mission assisted the MSATM in drafting a decree law on Municipal Development Planning Board, which define the structure and functions of the respective Municipal bodies. The draft decree law is pending approval by the MSATM Council of Directors, given the delays in approving the Local Government law by the National Parliament.

#### **2.3.4 Municipal Public Financial Management**

In partnership with the World Bank-managed Planning and Financial Management Capacity Building Programme (PFMCBP), LGSP supported the MSATM and the Ministry of Finance (MoF) in designing the processes and procedures for Municipal Public Finance Management in the context of decentralization. After in-depth discussions conducted with various stakeholders, the outcome of the mission was a white paper which defines the principles, roles, responsibilities, rights and obligations of municipalities with regard to public financial management. The TA mission team also prepared a draft Municipal Public Financial Management regulation. The white paper was discussed between MSATM and the MoF in order to provide additional inputs and it has been agreed by the two Ministries to use the White Paper basis for the legal draft regulation.

At the end of the two mentioned missions, a round table discussion was organized with the objective to discuss preliminary findings and recommendations made by the technical staff with a wide range of stakeholders.

#### **2.3.5 Municipal Procurement**

In October 2009, a technical assistance mission was fielded with the objective to support the MSATM and the MoF in developing a legal framework governing municipal procurement in accordance with the legislative frameworks for the decentralization reforms in Timor-Leste.

Intensive discussions took place with various stakeholders with the objective to take into account lessons learned from procurement processes under the Local Development Programme. A draft municipal procurement regulation was prepared and discussed with the MSATM, which takes into account lessons learned from the LDP, builds on the national procurement regulation and draws from best practices from across the world. The draft regulation is being transformed into legal format and it is expected that the legal draft will be finalized and discussed with the Council of Directors of the MSATM.

#### **2.3.6 The Relationship between Sucos and future Municipalities**

The proposed law on Local Government foresees that “the government shall regulate relations between Suco Chiefs and municipalities pursuant to the law on community leaders with regards to the relationship of future Municipality and Sucos (villages). The following principles shall be adhered to: (i) Suco Chiefs shall abide by the decision of the Mayor; (ii) the Municipal Assembly shall encourage the involvement of Suco Councils and Suco Chiefs in municipal affairs; (iii) Municipalities shall include the necessary budget allocation in their municipal budgets to allow for the functioning of the Suco Councils”.

While elected, suco chiefs and councils would not be regarded as part of the state structure and public administration (and hence lack legal status and civil servant benefits), sucos would be expected to play an important role in local development, particularly in local planning and service delivery. Given this ambiguity and lack of clarity, LGSP supported MSATM in clarifying the relationship between municipalities and sucos and developing a legal framework governing the relationship between municipal

governments and villages (or sucos) in accordance with the legislative framework and taking into account the process of decentralization reforms in Timor-Leste.

The result of the mission was a detailed and comprehensive analysis of the current status of Suco as community leaders, including issues which may be encountered such as the ongoing relationships between suco and municipal leadership and municipal-level policy making.

Various follow-up discussions with the MSATM Council of Directors took place and the outline regulation is being transformed into legal format for discussions in MSATM. It is expected that it will be ready for submission soon after the basic laws are approved.

## **ACTIVITY 2.4: Management of Transitional Period and Establishment of Municipalities**

### **2.4.1 National Preparatory Committees**

In October 2009, the MSATM issued a Ministerial Directive on Establishment of Municipal Preparatory Committees<sup>17</sup>, both at National and District levels, with the objective of preparing districts for becoming municipalities. The preparation will involve both administrative (setting up of administration, reorganisation of staff) and technical aspects (overseeing the construction of new municipality's offices). LGSP provided technical support to the development of the Annual Work Plan 2010 and it is expected to provide continued technical support to the Preparatory Committees in 2010.

An official ceremony was launched by the Minister of MSATM in November 2009 to inaugurate the National Preparatory Committee (NPC). The competencies of the NPC are, among others, to “provide technical support to the implementation of the DSF II activities related to preparations of the establishment of the new municipalities prior to and during the municipal elections”.

In December, the MSATM also inaugurated the District Preparatory Committees (DPC) in four districts (Baucau, Dili, Bobonaro and Oecusse) that are foreseen to be the first batch of municipalities to be established in 2011. The competencies of the DPC are, among others, “to cooperate with local stakeholders regarding preparations for the establishment of the municipality and to disseminate, in conjunction with local stakeholders, national policies and legislations concerning decentralisation”.

## **ACTIVITY 2.5: Municipal Capacity Building**

Considering the importance of local level capacity to manage new responsibilities in the context of decentralization, a technical assistance mission was fielded in October 2009 to support the MSATM in defining and developing a short-term, medium-term and long-term Capacity Development Strategy in the context of decentralization reforms, taking into account capacity development needs of various stakeholders at local and national levels, involved in the decentralization process. Key stakeholders include newly created municipal assemblies and municipal administrations, deconcentrated line ministry structures, other local stakeholders (civil society, political parties and contractors), as well as MSATM and line ministries.

Discussions were held with a wide number of stakeholders a draft report was submitted by the consultant. The report was also reviewed and is now in the process of finalisation. It is expected that final draft will be taken over by MSATM to discuss with various stakeholders before transforming it into a comprehensive capacity development strategy to be used not only for the government, but also for other training providers under civil society organisations or international donors or institutions.

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<sup>17</sup>. Official Gazette *Jornal da Republica Serie I N.º 36*, 14 October 2009.



## **ACTIVITY 2.6: Reconfiguration of the MSATM**

A technical support mission took place in April 2009 to review the current the MSATM structure and develop practical recommendations on how MSATM's structure could be aligned with its new roles and increasing responsibilities related to the decentralization process and to enhance its capacities for support to future municipalities.

Following a series of meetings with the Minister and Secretary of State for Administrative Reform and discussions with various MSATM directorates, a meeting with the Council of Director was held to discuss preliminary findings of the mission. In response, the Council of Directors of the MSATM recommended the establishment of a working group within the MSATM to prepare recommendations to the Ministry.

## **2.7. Support to establishing a government-led platform for donor coordination: the Joint National Decentralization Programme (JNP)**

In order to support donor coordination in the area of decentralization, LGSP provided support to the MSATM in developing a Joint National Decentralization Programme (JNP). A concept note was prepared in mid-2009 and discussed with the MSATM as well as various Development Partners. The process remains to be finalized in 2010 with the development of a Project Document as well the launch of a programme.

The JNP aims at establishing a government-led platform for coordination of government and donor activities in the area of decentralization, promoting a coordination of activities, avoiding overlap and duplication and ensuring a fair and equitable support districts and future municipalities. At the same time, the JNP has the objective to facilitate and encourage an increased donor support to government in the area of decentralization, taking into account the need for additional support of local governments in assuming new responsibilities in the context of decentralization and allowing for improved public service delivery in line with citizens' expectations.

## **OUTPUT 3: SUPPORT TO IMPLEMENTATION OF LOCAL GOVERNMENT REFORMS**

*“Support is provided to GoTL for the implementation of local government reforms”*

Since the Local Government laws were still pending approval by the NP by the end of 2009, the LGSP focused on developing and implementing communications and civic educations activities for this component. This included two areas: support to the Ministry of State Administration in communication activities as well civic education for rural communities on local governance.

### **3.1 Production of Social Communication Material**

During 2009, the communications unit produced a wide range of social communication materials, such as

brochures and pamphlets and it was active in the coverage of the LGSP and the MSATM's activities on the decentralization process.

In the second semester, after the Council of Ministers approved the law proposals for submission to the National Parliament and after the approval of the law on Administrative and Territorial Division, the communications unit focused on the production of materials related to the set up of future municipalities. A series of posters, stickers, signboards and brochures was produced in order to be distributed during the municipality campaign. However, the campaign had to be postponed, given the delays in the approval of the local government law. These materials will be used to help facilitate the discussions with village communities, which are planned to take place once the set of three laws are approved.

LGSP also continued to promote Ministry activities on decentralization to the media through press releases. The communication unit has organized press conferences and assisted the policy and legislation unit in the coverage and invitation of government officials and development partners for consultation workshops and brown bag lunches supported by the LGSP.

Twelve editions of the Local Governance Monthly Bulletin were produced and distributed during 2009. Since July, a Portuguese version of the Monthly Bulletin has also been available online at the website. In addition, the number of printed bulletins in the Tetum language was increased to 4000 a month, covering all districts of the country and all the line Ministries based in Dili.

In order to build additional capacity to manage and update the Ministry's website, national Communication Officers, the government communications officer and the LGSP Communications Officer attended two courses at Arpa Technology in Denpasar, Indonesia, on website management and graphic design, in January/February 2009.

In line with the LGSP work plan, five editions of the radio program were produced and finalized during the second semester. These radio programs are produced together with the Central Community Radio and have been broadcasted by all the 16 community radios around the country with latest news on the decentralization process and panel discussions on the future set up of the municipalities. Central Radio Community has been assisting the Communication Unit with the editing of the final versions.

In addition, the LGSP has been providing monthly monitoring reports about the news published by the local media on the decentralization process to the DNDLOT Director (since July 2009). The monitoring reports offers feedback on the articles published by the newspapers, as well as analysis on the local media perspective and comments in regards to the decentralization process.

Furthermore, the LGSP has also supported the GoTL on socialization activities in four districts: Dili, Bobonaro, Baucau and Oe-cusse, by providing a fact sheet on the plan for municipalities, Monthly Bulletins and other communication materials.

### **3.2 Civic Education on Good Local Governance**

The LGSP also supported communication on decentralization through a civic education program. The design of a civic education module on good local governance was finalized during the first quarter of 2009. This module includes a DVD, flipchart, participant handout and facilitator's manual. In April, a Training-of-Trainers workshop was conducted in Dili for local NGOs in order to bring other development partners on board and enable them to integrate civic education on decentralization and local governance issues into their activities.

Moreover, civic education activities were implemented in two districts, Lautem and Manufahi through the

NGO, CONCERN International; contracted through the LGSP. The activities were conducted between June and September through local NGOs in six sucos of the two mentioned districts. The pilot implementation reached over 4000 people in both districts.

In addition, partnerships were established with a number of different international and local organizations, which carried out civic education activities on a voluntary basis. This included the NGO Oxfam, which implemented this pilot module in Oé-cusse and Covalima districts between July and September. The International Organization for Migration (IOM) also assisted the MSATM in distributing the materials in four suco councils in Dili.

Besides, a second civic education module, which prioritizes the establishment of the municipalities, was drafted; however, its finalization is pending approval of the local government law. The production of this second module has been based on the set of three laws on local government and should be finalized by the end of the first quarter of 2010 in order to start its implementation in the second semester of 2010.

Finally, in November, the DNDLOT, together with the Directorate of Non-Formal Education from the Ministry of Education, held a two-day training in Dili with 60 District and Sub-district coordinators on the first civic education module. The objective was to provide information and training for the participants conduct training in their communities based on the civic education materials.

#### **OUTPUT 4: Programme Support**

##### **ACTIVITY 4.1: Project Support**

The Project Support team continued to provide support to ongoing programme activities. Regular team meetings were held once or twice per month to discuss project progress, planned activities and challenges faced. These meetings were very important and helped facilitate regular communication and coordination among the LGSP team and between different components of the programme.

##### **ACTIVITY 4.2: Programme Steering Committee Meeting (PSC)**

A PSC meeting was held in June, 2009 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 planned activities of the LGSP were discussed during the meeting.

##### **ACTIVITY 4.3: Monitoring and Evaluation (M&E)**

The M&E team continued to monitor programme inputs, activities and outputs along key programme indicators. A team of four staff (two DNDLOT staff and two government staff) participated in an M&E training in Indonesia. In order to facilitate a strong integration of M&E activities with the MSATM DNDLOT, a M&E Officer was appointed by the Ministry to work side by side with the LGSP M&E Officer and learn to manage the Management Information System (MIS). It is envisaged that, in future, the Ministry will take a stronger role in managing the M&E system.

#### **ACTIVITY 4.4: Recruitment processes**

During 2009, recruitment processes also took place to (re-) fill the positions of the International Technical Specialist/ Chief Technical Advisor (Susanne Kuehn), International Communications Officer (Thaiza Castilho), National Programme Manager (Henriqueta da Silva), LDP Coordinator (Carlito Alves), Monitoring and Evaluation Officer (Abrani Helder), Policy & Legislation Clerk (Gina Garcia), Finance Clerk (Liboria Savio), Driver & Logistics Coordinator (Florentino Rodrigues), Driver (Elizario Ferreira) and Cleaner (Domingos Pinto). In total, 10 recruitment processes took place in 2009.

In addition, recruitment processes for the International Communications Analyst, an Administration and Finance Clerk and Driver were started, to be finalized in 2010. Due to the large number of community infrastructure projects funded through up-scaled the Local Development Programme (LDP), now covering all 13 districts in the country, the LGSP will require an additional LDP Planning Officer Technical Infrastructure Officer to ensure an improved technical monitoring of projects.

#### **ACTIVITY 4.6: Procurement**

Procurement processes for furniture and motorbikes for Districts Assemblies in the new pilot districts were conducted in 2009, in accordance with the UNDP procurement rules and procedures.

### **V. The Way forward & Work plan 2010**

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

#### **5.1. Recruitment**

Given the growing demand for support by the MSATM in preparation of the decentralization process and envisaged expanded role in supporting the government in managing the future Joint National Decentralization Programme (JNP) and donor coordination, LGSP will require additional staff. Most notably, this will include an International Operation/Project Manager to manage recruitment, procurement and project finances. In addition, the Ministry has requested the recruitment of a Legal Advisor to support the drafting of legal framework for decentralization and the recruitment of an Advisor to provide technical support and facilitate coordination with other Ministries in preparation for the decentralization process.

#### **5.2: Procurement**

A 2010 procurement plan will be submitted to UNDP procurement in early 2010. A large part of the assets to be procured by LGSP will support the Government to implement and support various activities.

#### **5.3: Monitoring and Evaluation (M&E)**

The Monitoring and Evaluation Guidelines have been updated and M&E training will be provided to district staff focusing on updating MIS data. In addition, field monitoring visits including data collection will be conducted for the implementation of infrastructure project in all 13 pilot districts in the coming period

## Annex 1.

### COMMENTS TO AWP 2009: PROGRESS COMPARED TO ANNUAL WORKPLAN

This summary is a narrative of results against the AWP report for January to December 2009.

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 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 (LAs , SDDCs, PICs, Finance Team, DAT and Tender Board)	Completed	Completed support to 29 Local Assemblies and 21 SDDCs
1.1.2 PIC Meeting in 8 Pilot Districts	Completed	Second PIC meetings were completed in September 2009.
1.1.3 Support SDDC Planning Process	Completed	The activities were concluded.
1.1.4 LA Bid Opening	Completed	Eight pilot districts concluded bidding processes for 131 projects.
1.1.5 PIC Technical Meeting	Completed	PIC technical meetings were held in 8 pilot districts and 21 Sub-Districts.
1.1.6 Support establishment Oversight Committee	Completed	A total of 113 Project oversight committees (POC) were established from proposed projects.
1.1.7 Finance Report Meeting	Completed	The meeting was held by finance officer with 150 people from 29 Local Assemblies Finance Team and DAT.
1.1.8 Observing DA Finance Revision in actual districts	Completed	Concluded in Q1.
1.1.9 Observing LA Meeting in Pilot Districts	Completed	All LAs meetings were held.
1.1.10 Provide IT equipment to LA Secretariat	Completed	In total, 8 sets of computers and printers have been handed over to eight districts in August 2009
1.1.11 Provide Furniture/equipment to LA	Completed	8 Motorbikes and 8 sets of furniture Delivered
1.1.12. Observe DA, SDA Procurement Process in pilot districts	Completed	8 pilot districts completed the tender processes for 131 projects.
1.3 Introduce measures to improve the levels/quality of participation in Local/municipal Assemblies and suco Council (Standing Committee, training etc.)		
1.3.1 Training on Planning Regulation to District & Sub-Districts Assemblies	Re-scheduled to 2010	

1.3.2 Training in finance and procurement regulations in pilot districts	Re-scheduled to 2010	
1.3.3 Refresher training in Planning, Finance and Procurement regulation to LGSP & DNDLOT staff (national)	Completed	Refresher trainings provided to Government and LGSP staff in November.
1.3.4 Provide Training to PIC members in Infra. Design and costing	Completed	Refresher training on AutoCAD to the technical staff in district level concluded in August 2009.
1.3.5 Refresher training for local stakeholders in planning regulations, budgeting, O&M	Re-scheduled to 2010	The training will be conducted in quarter four of 2010
1.4 General Issues		
Print and distribute Certificate on Planning Regulation Training	Completed	The certificates have been delivered by the MSATM in the end of December.
1.5 Additional Activity		
1.5.1 Provide training on Directive no11/2008/MAEOT regarding Community Contacting Manual	Re-scheduled to 2010	
<b>Output 2: POLICY AND LEGISLATION</b> <b>Support is provided to GoTL for the establishment of an appropriate and comprehensive institutional, legal, and regulatory framework for local government</b>		
2.1 Regulatory framework and guidelines for implementation		
2.1.1 Continued work on LG legislation	ongoing	LG legislations are now discussed at the National Parliament. The law on Administrative and Territorial Division approved. Discussion on Local Government law is ongoing.
2.1.2 Draft and issue Guidelines on Rules and Procedures for Municipal Assemblies	Re-scheduled to 2010	This activity is re-scheduled to next year, given the delays in approval of the LG laws by NP.
2.1.3 Formulate and issue Decree Law on Rates of Remuneration for Mayors, Deputy-Mayors, Speakers, Standing Committees and Members of MAs	Re-scheduled to 2010	This activity is re-scheduled to next year, given the delays in approval of the LG laws by NP..
2.1.4 Formulate and issue Decree Law on Municipal Organizational Structure	Re-scheduled to 2010	A study was completed in 2009 and an organic law is being prepared and is pending for discussion within MSATM.
2.1.5 Formulate and issue Decree Law on Municipal Personnel Management	Re-schedule to 2010	This activity is re-scheduled to next year, given the delays in approval of the LG laws by NP..
2.1.6 Formulate and issue Ministerial Decree Law on Relations between Municipal Assemblies and Suco Councils	Re-schedule to 2010	A study was completed in October 2009 and consultant's report being discussed for finalisation. The draft law is re-scheduled for the Q1 of next year.
2.1.7 Formulate and issue Decree Law on Criteria and Procedures for Creation, Modification and Dissolution of Municipalities	N/A	Not scheduled in 2009.

2.2 Regulatory framework for Municipal fiscal and financial management		
2.2.1 Assess existing software platforms for PFM (and possible design of interface software)	Re-scheduled to 2010	Re-scheduled to 2010, given the delays in approval of the LG laws by NP.
2.2.2 Municipal public financial management	Re-scheduled to 2010	A study was completed in July 2009 and a draft regulation being prepared and will be discussed in Q1 2010.
2.2.3 Formulate and issue Decree Law on Municipal Budgeting and Financial Management Manual	Re-scheduled to 2010	This activity is re-scheduled to Q1 of 2010. Once the regulation has been approved – a manual will be developed.
2.2.4 Draft and issue Guidelines for Municipal Planning, Budgeting and Implementation	Re-scheduled to 2010	A study was completed in July and two integrated draft regulations have been prepared and will be finalised in Q1 2010.
2.2.5 Draft Municipal Procurement decree law and Manual	Re-scheduled to 2010	A study was completed and a regulation has been prepared and will be discussed in Q1 2010.
2.2.6 Formulate and issue decree law on municipal revenues (Fees, Charges, Fines and External Grants)	Re-scheduled to 2010	This activity is re-scheduled to 2010, given the delays in approval of the LG laws by NP.
2.2.7 Formulate and issue decree law on municipal finances: Block Grants	Re-scheduled to 2010	This activity is re-scheduled to 2010, given the delays in approval of the LG laws by NP.
2.2.8 Formulate and issue decree law on municipal finances: Specified transfers	Re-scheduled to 2010.	This activity is re-scheduled to 2010, given the delays in approval of the LG laws by NP.
2.2.9 Calculation of 2010 budget envelopes and inclusion in 2010 submission	Re-scheduled to 2010	This activity is re-scheduled to 2010, given the delays in approval of the LG laws by NP.
2.3 Decentralising sector service delivery functions		
2.3.1 Prepare for devolution of primary health care functions to municipalities (Sector DSF, Decree Law, amended regulations, costing)	Draft completed	Following the work on functional assignments that was completed in June, the work is now ongoing.
2.3.2 Prepare for devolution of infrastructure delivery functions to municipalities (Sector DSF, Decree Law, amended regulations, costings)	Draft completed	Following the work on functional assignments that was completed in June, the work is now ongoing.
2.3.3 Prepare for delegation of regulatory and registry functions to municipalities (Sector DSF, Decree Laws, amended regulations, costings)	Re-scheduled to 2010	Following the work on functional assignments that was completed in June, the work is now ongoing and Sector DSF for Ministries attached with regulatory and registry functions is now re-schedule to be undertaken in 2010.
2.3.4 Prepare for decentralisation of social assistance and social protection functions to municipalities (Sector DSF, Decree Law, amended regulations, costing)	Re-scheduled to 2010	Following the work on functional assignments that was completed in June, the work was pending since there is no clarity of Ministry's intention but re-schedule to be explored in 2010.
2.3.5 Continue Ministerial TWG activities on sector decentralization	Ongoing	The coordination during third quarter focused on MTWGs involved in developing

and coordination		Sector DSF.
2.4 Communications and consultations		
2.4.1 Undertake intensive dissemination of information and communications during run up to and after municipal elections	N/A	This activity is conducted under communications component.
2.5 Management of Transitional Period and establishment of Municipalities		
2.5.1. Define strategy for transitional period between holding of elections and establishment of municipalities	Ongoing	The Municipal Preparatory Committees being established and activities will be carried out during 2010.
2.5.2 Training MSATM staff, MECs and political candidates in transitional arrangements	Re-scheduled to 2010	This activity is re-scheduled to 2010, given the delays in approval of the LG laws by NP.
2.5.3 Establish municipalities	Scheduled to 2011.	This activity is re-scheduled, given the delays in approval of the LG laws by NP.
2.5.4 Support municipal planning and budgeting for 2010	Re-scheduled to 2010	This activity is scheduled to 2010, given the delays in approval of the LG laws by NP.
2.6 Municipal Capacity Building		
2.6.1 Design Municipal Capacity Building Strategy (MCBS)	Re-scheduled to 2010.	A study was completed in Nov 2009 and the report is under review and will be finalised in 2010.
2.7 Demarcation of Municipal boundaries		
2.7.1 Define a methodology for demarcation of municipal boundaries	Re-scheduled to 2010	This activity is re-scheduled to 2010, given the delays in approval of the LG laws by NP.
2.8 Reconfigure MSATM		
2.8.1 Undertake institutional assessment of MSATM	Completed	A study was completed in April and a revised organic law being prepared and has been discussed within the MSATM.
2.8.2 Restructure MSATM	Re-scheduled to 2010	This activity is scheduled to 2010.
2.9 Engaging development partners		
2.9.1 Establish Joint Local Governance Forum (JLGF)	Rescheduled to 2010 onward	This activity was rescheduled to 2010, given the delays in approval of the LG laws by NP..
2.9.2 JLGF operational	Rescheduled to 2010 onward	This activity was rescheduled to 2010 onward, given the delays in approval of the LG laws by NP.
2.10 Oversight, policy reviews and taking stock		
2.10.1 Establish Inter-Ministerial Commission on Decentralisation	Rescheduled to 2010 onward	This activity was rescheduled to 2010 onward, given the delays in approval of the LG laws by NP.
2.10. 2 Oversee and review implementation of Decentralisation reforms	Rescheduled to 2010 onward	This activity was rescheduled to 2010 onward, given the delays in approval of the LG laws by NP.

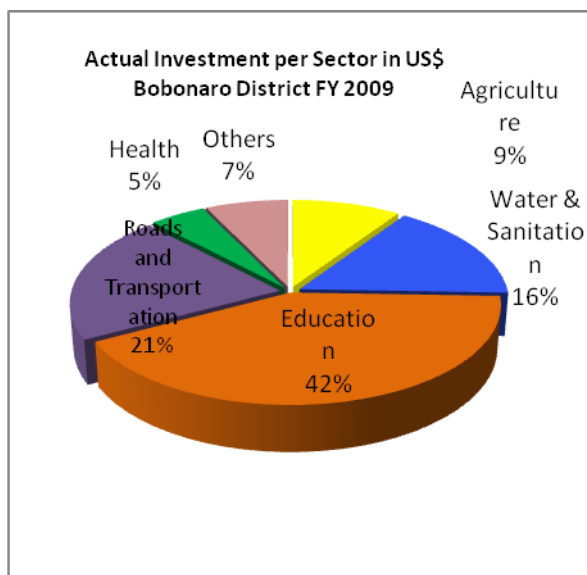
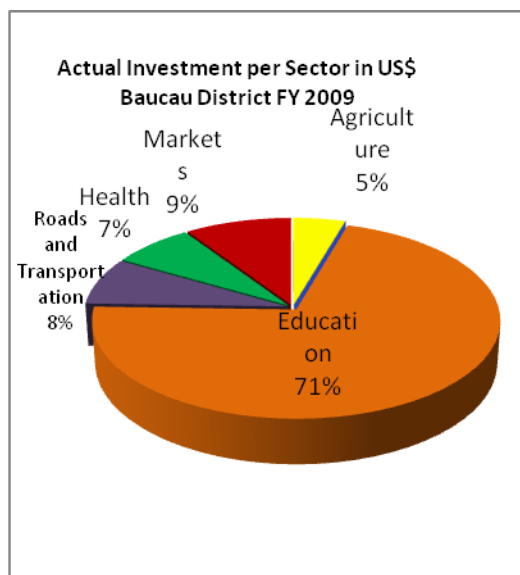
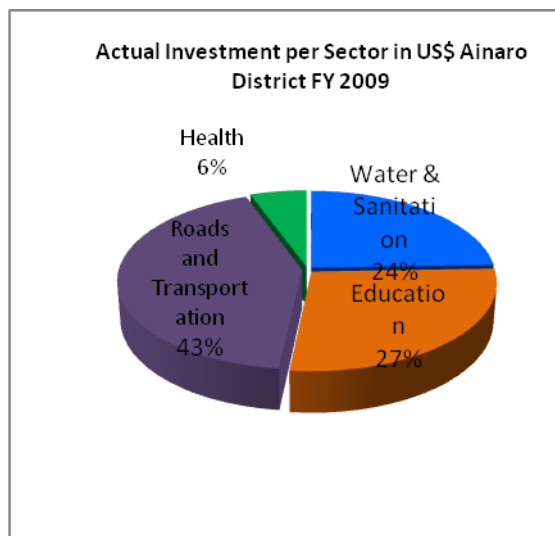
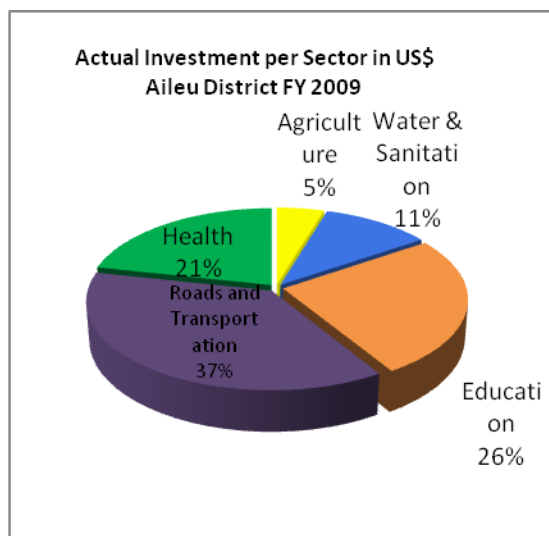


2.10. 3 Carry out baseline survey of local governance	Rescheduled to 2010 onward	This activity was rescheduled to 2010 onward, given the delays in approval of the LG laws by NP.
<b>Output 3: IMPLEMENTATION OF GOVERNMENT REFORM</b>		
Support is provided to GoTL for the implementation of local government reforms		
3.1 Production of social communication material		
3.1.1 Bi-monthly radio programme	Completed	Six editions of the Radio Program on Decentralization were concluded from July to December.
3.1.2 Monthly decentralization bulletin	Completed	Twelve editions of the Local Governance Monthly bulletin were produced and distributed to all districts in Tetum. Portuguese and English versions are available at the Ministry's website.
3.1.3 Fact sheets	Completed	4000 copies of a four pages fact sheet on the Municipality campaign have been printed for Information dissemination to four districts - Baucau, Bobonaro, Dili and Oecusse and where already distributed in most of these districts.
3.1.4 Radio talk Show	Completed	On mid-September a radio talk show was recorded in Dili with the DNDLOT Director and NGOs members to explain the establishment of the municipalities in the four pilot districts. The radio talk show was broadcasted in all 16 community radios of Timor-Leste.
3.1.5 TVTL talk Show	Postponed	Planned to be held when the set of 3 laws is approved.
3.1.6 Booklet	Stopped	Although in the first quarter copies of the bulletin booklet were distributed this activity has been interrupted because of its lack of effectiveness and other materials have been printed with the allocated budget.
3.1.7 Website	Ongoing	The website is currently being updated since June with LGSP documents, articles and latest monthly bulletins. A new section on Journal of Republic has been added with ½ of 2008 to 2009 is available in website but most recent editions have not been updated as Grafica National has not provided the electronic updated versions since July.
3.2 Develop communication capacities for central & local level		
3.3 Civic Education		
3.3.1 Implementation of Civic Education Modulo Prepare training module on decentralization and local government	Ongoing	Concern International finalized the implementation of the pilot module of the civic education campaign and new mechanisms are being discussed to reach more districts,

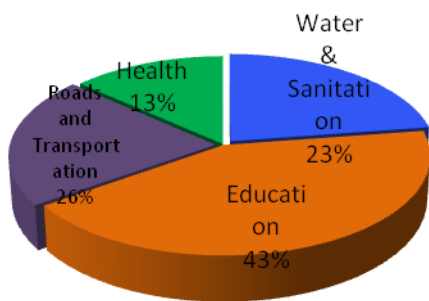
		<p>especially women and youth. IOM and Oxfam have also assisted LGSP with the distribution of the first civic education module in Dili, Oé-cusse and Covalima in the third quarter of 2009.</p> <p>In November the LGSP assisted the DNDLOT with a second training for the District and Sub-district coordinators from the Ministry of Education on the first module that will be disseminated by the participants in their schools.</p> <p>The focus of the second module is the establishment of the municipalities, which should start in the beginning of 2010 is pending the approval of the local government law.</p>
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## Annex 2: Annual work Plan for 2010

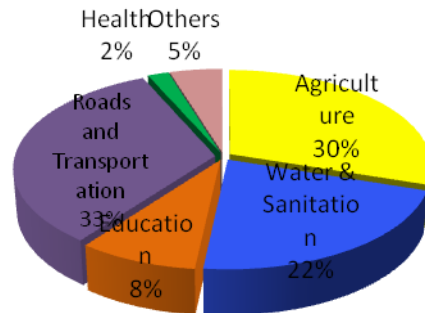
## Annex 3: Annual investments per sector for FY 2009 per pilot Districts



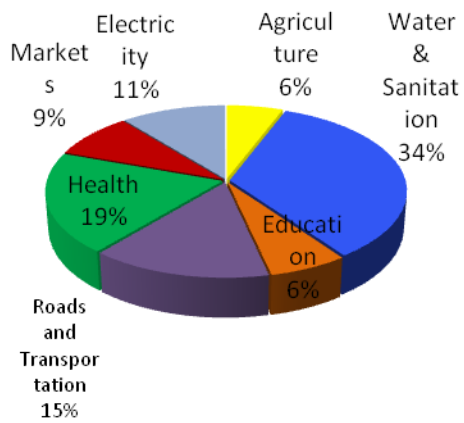
Actual Investment per Sector in US\$  
Covalima District FY 2009



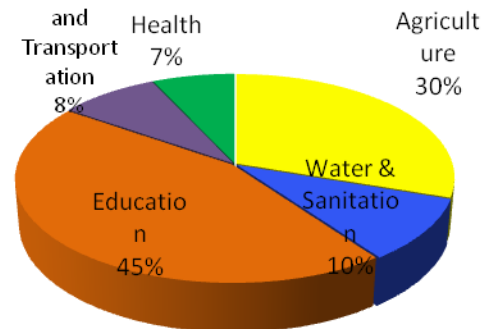
Actual Investment per Sector in US\$  
Manatuto District FY 2009



Actual Investment per Sector in US\$  
Manufahi District FY 2009

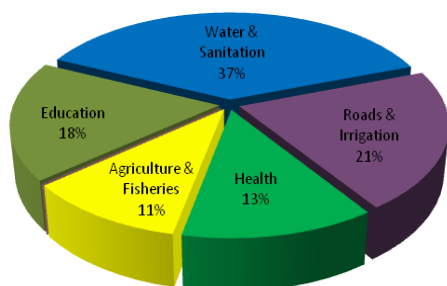


Actual Investment per Sector in US\$  
Lautem District FY 2009

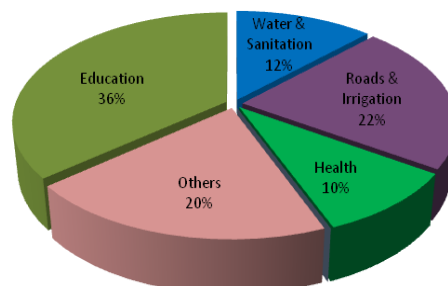


### Annex 3: Annual investment per sector for FY 2010 per pilot district

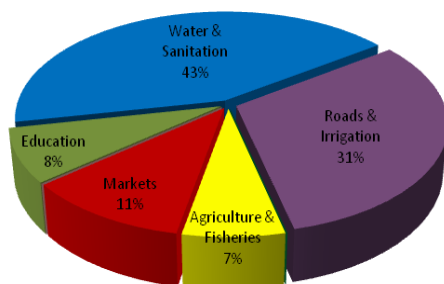
% Investment project per sector in US\$ Baucau District FY 2010



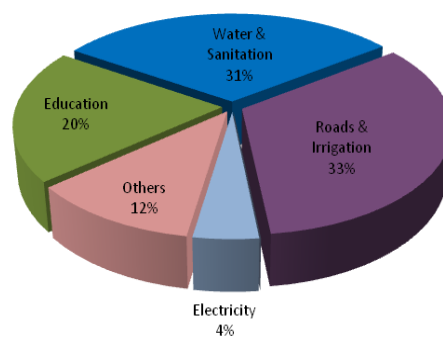
% Investment project per sector in US\$ Manufahi District FY 2010



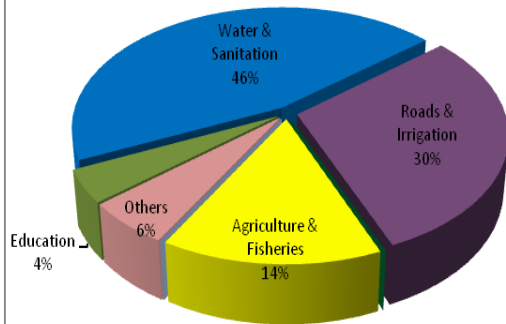
% Investment project per sector in US\$ Covalima District FY 2010



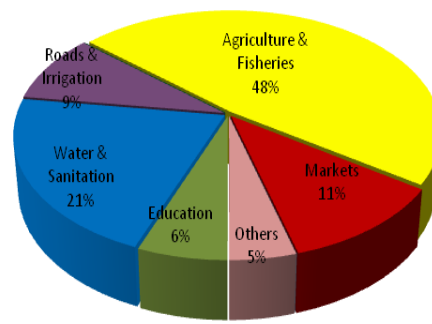
% Investment project per sector in US\$ Ainaro District FY 2010



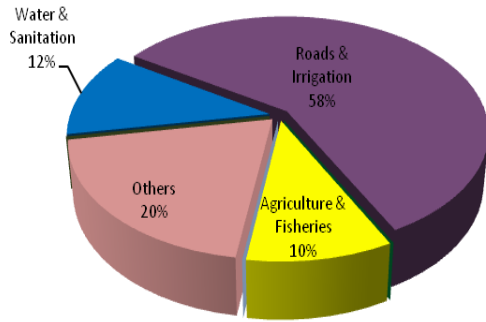
% Investment project per sector in US\$ Lautem District FY 2010



% Investment project per sector in US\$ Bobonaro District FY 2010



% Investment project per sector in US\$ Manatuto District FY 2010



% Investment project per sector in US\$ Aileu District FY 2010

