



SECOND QUARTERLY REPORT

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

UNDP Code: 00053898

UNCDF Code: 00054392 / 00054393

From: April - June 2009

Report Date: July 2009



COUNTRY-LEVEL JOINT PROGRAMME SECOND QUATER NARRATIVE PROGRESS REPORT

REPORT COVER PAGE

Participating UN Organizations: UNCDF UNDP	Area/Theme: Local Development/Decentralization Poverty Reduction												
Joint Programme No. UNDP-BU: 45604 (Award ID), 53898 (Project ID) UNCDF-BU (Irish): 45923 (Award ID), 54392 (Project ID) UNCDF-BU (UNCDF core): 45924 (Award ID), 54393 (Project ID) Joint Programme Title: Local Governance Support Programme (LGSP) ATLAS No: (assigned by MDTF Office) 00055656 (Award ID) 00067656 (Project ID)	Total JP Budget (in US\$): US\$ 7,750,000 million <table style="width: 100%; border: none;"> <thead> <tr> <th></th> <th style="text-align: right;"><u>Pass-through funding</u></th> <th></th> </tr> </thead> <tbody> <tr> <td>Government of TL:</td> <td style="text-align: right;">\$3,470,000</td> <td>No</td> </tr> <tr> <td>Irish Aid:</td> <td style="text-align: right;">€1,450,000</td> <td>Yes</td> </tr> <tr> <td>Government of Norway:</td> <td style="text-align: right;">\$ 119,328</td> <td>Yes</td> </tr> </tbody> </table>		<u>Pass-through funding</u>		Government of TL:	\$3,470,000	No	Irish Aid:	€1,450,000	Yes	Government of Norway:	\$ 119,328	Yes
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Report Number: Reporting Period: April-June 2009	Joint Programme Budget by Participating UN Organization <i>(for pass-through funding only):</i> UNCDF: US\$ 665,255 UNDP: US\$ 742,159												
List Partners: <ul style="list-style-type: none"> • <i>World Bank</i> 	Programme Coverage/Scope: 1) Total population in 8 out of 13 districts : 473,3231 or 51 % of the total population 2) Suco Council representatives in the Local Assemblies; 3) Ministry Staff of MSATM and other line ministries												
Abbreviations and acronyms: <table style="width: 100%; border: none;"> <tr><td>CoM</td><td>Council of Ministers</td></tr> <tr><td>DA</td><td>District Assembly</td></tr> <tr><td>DN-</td><td>National Directorate for Local</td></tr> <tr><td>DLOT</td><td>Development and Territorial Management</td></tr> <tr><td>DSF</td><td>Decentralisation Strategic Framework</td></tr> </table>	CoM	Council of Ministers	DA	District Assembly	DN-	National Directorate for Local	DLOT	Development and Territorial Management	DSF	Decentralisation Strategic Framework	Programme/Project Timeline/Duration <u>Overall Duration</u> 2007 - 2011 <u>Original Duration</u> 2007 - 2011 <u>Programme/ Project Extensions</u> N/A		
CoM	Council of Ministers												
DA	District Assembly												
DN-	National Directorate for Local												
DLOT	Development and Territorial Management												
DSF	Decentralisation Strategic Framework												

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

GoTL	Government of Timor-Leste	
ISD	Infrastructure and Service Delivery	
LA	Local Assembly	
LDF	Local Development Fund	
LDP	Local Development Programme	
LGOS	Local Government Options Study	
LGSP	Local Governance Support Programme	
MoF	Ministry of Finance	
MSATM	Ministry of State Administration and Territorial Management	
MTWGs	Ministerial Technical Working Groups	
NP	National Parliament	
PEM	Public Expenditure Management	
PIC		
PFM	Public Financial Management	
PSC	Programme Steering Committee	
SDA	Sub-District Assembly	
SDDC	Sub-District Development Committees	
UNCDF	United Nations Capital Development Fund	
UNDP	United Nations Development Programme	

I. ACTIVITIES, ACHIEVEMENTS AND CHALLENGES DURING THE REPORTING PERIOD

As stated in the Programme Document, there are three specific outputs for the LGSP and this report is organised accordingly by focussing on activities and progress of the programme during the second quarter of 2009. This is a narrative report, which is intended to summarise the main achievements and challenges encountered during implementation during the period of April to June 2009.

The main achievements of the LGSP activities during the second quarter can be summarised as follows:

Output 1 (Piloting Local Development Programme): LGSP continued providing support to Local Assemblies in 8 pilot districts. The Local Assemblies completed investment plans and allocated the 2009 LDF budget accordingly. LGSP assisted Local Assembly PIC (Procurement and Investment Committee) members in the procurement process and conducted trainings on M&E and financial reporting.

Output 2 (Policy and Legislation): LGSP continued providing support to three local government laws. Technical assistance missions supported the Technical Working Groups on defining functional assignments, which could be transferred to municipalities as part of the decentralization process, as well as implications on the municipal structure and budgets. Another mission developed recommendations with regard to restructuring the MSATM in line with its new roles and responsibilities related to the decentralization process.

Output 3: (Local Government Reform / Communication): LGSP continued providing support to communication and civic education, producing a wide range of communication materials.

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.

1.1 Supports to Local Assemblies

1.1.1 Allocation and utilization of the LDF Budget

Following the announcement from the Ministry of State Administration and Territorial Management (MSATM) regarding the budget allocation for Local Development Fund in 2009, capital investment (US\$ 1,660,000) for the districts and sub-district Investment Plans, and recurrent cost (US\$ 175,515) were transferred to the district bank accounts. As of end June, US\$ 1,658,674 as capital investment were allocated to 117 projects and US\$ 20,273.69 was spent as the recurrent expenditure.

Allocations and utilization of the LDF Budget for eight districts are described in below table:

Figure 1: 2009 LDF allocations and utilization

District	Total LDF Allocation		Transferred in first and second quarter of 2009 to Districts Bank Account		Capital allocated to projects	Recurrent Expenditure	Un-Allocated		Remaining Balance
	Capital	Recurrent	Capital	Recurrent			Capital	Recurrent	
Bobonaro	\$ 289,000.00	\$ 31,612.00	\$ 289,000.00	\$ 15,604.00	\$ 288,500.00	\$ 3,153.00	\$ 500.00		\$ 12,451.00
Lautem	\$ 202,000.00	\$ 23,199.70	\$ 202,000.00	\$ 10,504.97	\$ 202,000.00	\$ 3,430.30	0		\$ 7,074.67
Aileu	\$ 130,000.00	\$ 17,605.00	\$ 130,000.00	\$ 8,287.00	\$ 129,974.00	\$ 2,010.25	\$ 26.00		\$ 6,276.75
Manatuto	\$ 135,000.00	\$ 22,018.00	\$ 135,000.00	\$ 10,479.50	\$ 135,000.00	\$ 3,412.50	0		\$ 7,067.00
Ainaro	\$ 187,000.00	\$ 16,167.00	\$ 187,000.00	\$ 7,698.00	\$ 187,000.00	\$ 1,041.84	0		\$ 6,656.16
Baucau	\$ 366,000.00	\$ 24,821.50	\$ 366,000.00	\$ 12,196.00	\$ 366,000.00	\$ 2,689.00	0		\$ 9,507.00
Covalima	\$ 196,000.00	\$ 21,970.50	\$ 196,000.00	\$ 11,968.50	\$ 196,000.00	\$ 2,036.80	0		\$ 9,931.70
Manufahi	\$ 155,000.00	\$ 18,122.00	\$ 155,000.00	\$ 9,420.00	\$ 154,200.00	\$ 2,500.00	\$800.00		\$ 6,920.00
Total	\$ 1,660,000.00	\$ 175,515.70	\$ 1,660,000.00	\$ 86,157.97	\$1,658,674.00	\$20,273.69	\$1326.00		\$65,884.28

In total, the government allocated capital and recurrent budgets of US\$ 1,835,515.70 to eight districts for the Local Development Programme. In comparison to the previous year, the government reduced budget allocations from US\$ 4 per capita to US\$ 3.5 per capita reflecting lower budget allocation to the MSATM.

Figure 1. Percentage of projects per sector

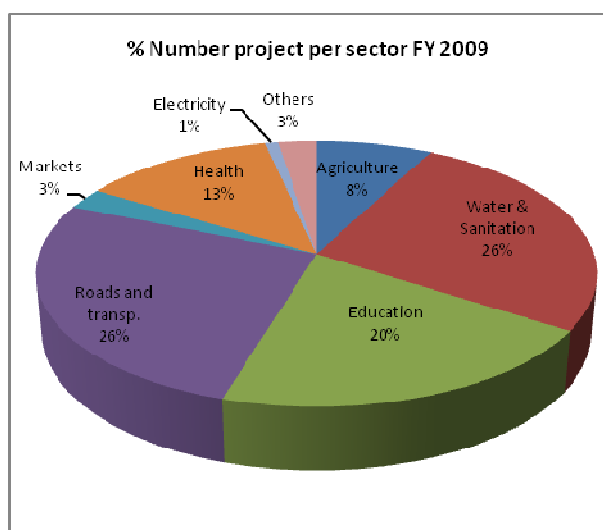
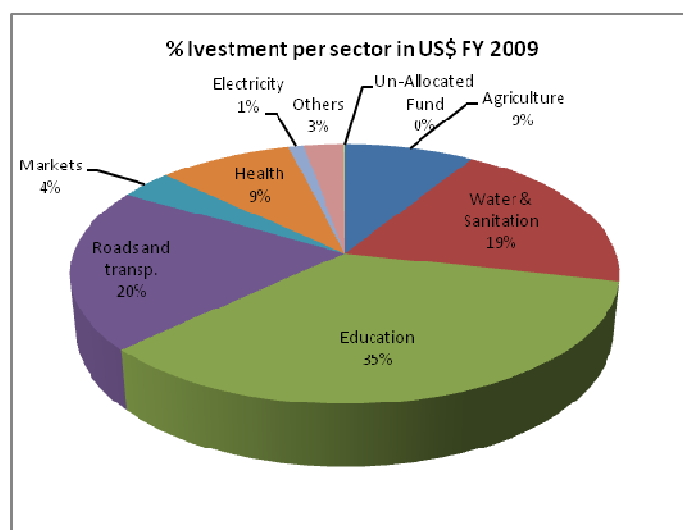


Figure 2: Investment per sector



As shown in figure 1, 26% of funding was allocated to water and sanitation, 26% to road and transportation, and 20% towards education. In terms of investment, 35% of the LDF budget were allocated to the education sector, 20% to road and transportation, and 19% to water and sanitation (see figure 2). The majority of communities prioritised these three sectors due to a lack of basic infrastructure in rural areas.

1.1.2 Meetings of LAs

In the second quarter of 2009 no LA meetings took place, since the procurement processes have not yet been completed. The second LA meeting is scheduled for the next quarter of 2009.

1.1.3 Local Procurement Processes

Most districts have now finalized tender processes for 2009. Out of a total of 117 projects, 75 projects have finalized tender processes, 16 projects were re-tendering, 7 projects re-advertised to bid, 18 projects

are currently in the tender process and 1 (one) project is temporarily pending. These activities were conducted by LA Procurement Investment Committees (PIC). It is expected that all projects will have signed contracts between LA and contractors by the end of June 2009 and that implementation will begin in July 2009.

1.1.4 Transfer of LDF Allocation (first and second quarter)

Based on the experience from 2008 where delays in budget transfers from the National Treasury to the LAs had caused delays in some of LAs' operational activities as well as LDF execution, the Ministry has changed transfer modalities. The operational budget is now being transferred twice a year instead of on a quarterly basis, as in previous years. The government transferred the operational budget of US\$ 86,157.97 for the first and second quarter of 2009 (out of a total annual budget of US\$ 175,515.70) in mid-March. Out of this amount, a total of US\$ 20,273.69 has been spent so far. The Ministry also transferred 100% of capital funds (US\$ 1,660,000) to the bank account of each Local Assembly in eight (8) pilot districts. An amount of US\$ 1,658,674.00 was allocated to the 117 projects from districts and sub-districts investment.

As in 2008, finance management and the timely submission of finance reports to the national level continued to represent a challenge for LAs. A close monitoring will, therefore, be a priority for the DN-DLOT and LDP team for the next months.

1.2 Capacity Building for Local Assemblies

Training on Monitoring & Evaluation: an AutoCAD training was conducted for technical staff from 25 LAs between April and May 2009. Based on the feedback provided by participants, LDP plans to conduct refresher trainings for the use of AutoCAD in August 2009.

Refresher training on financial reporting: a two-day refresher training on financial reporting was held in all 8 pilot districts between May and June 2009 to build capacities of LAs' finance officer on quarterly finance reporting to the DN-DLOT. 50 participants attended the training and it is planned to continue these trainings on a quarterly basis.

1.3 Planned activities for the next quarter:

- Continued support to LAs: the LDP team will continue to provide technical assistance and support to the LAs. Since most Sub-Districts have submitted their 2010 plans to the District level, the LDP team will continue to support 29 LAs in finalizing procurement and local planning process for the fiscal year 2010.
- In collaboration with the Monitoring and Evaluation team, AutoCAD Refresher Training will be conducted for technical staffs in 8 districts in August 2009. Mr. Carlito Alves, the LGSP Monitoring and Evaluation Officer, will be the trainer for this training.
- Two day trainings on community contracting guidelines and Planning Guidelines will be conducted for District Local Assemblies including Community Development Officers and Local Government Officers in 8 pilot districts.
- Finalisation of procurement for LAs: the project will provide IT equipment, furniture and motorbikes to support activities of the LA secretariats in 8 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”

2.1 Continued support to Local Government Legislation

LGSP continued to provide technical advisory support to the legislation process related to the three local government laws: consultations on the three local government law proposals, which were submitted by the Council of Ministers (CoM) to the National Parliament (NP), started in April 2009. The National Parliament (Committee A) conducted a national consultation process in four district capitals and the LGSP accompanied some of these consultations. LGSP also provided support to MSATM in conducting discussions with the National Parliament. Informal briefing sessions were held in May and June to provide technical advice to members of the National Parliament on the three law proposals. In June, the law on Administrative and Territorial Division was discussed and approved by parliament. The law proposals on Local Government and Municipal Elections are currently being discussed in National Parliament and discussions are ongoing.

2.2 Technical Support Mission on Functional Assignments and Finance

A second and third part of the technical support mission to the Ministerial Technical Working Groups (MTWGs) on “functional assignments” was fielded in May and June 2009. This mission provided technical recommendations with regard to which functional assignments should be transferred to newly created municipalities as part of the decentralization process. The team of consultants also made recommendations with regard to implications for the structure of municipalities as well as the municipal budget.

As an outcome of in-depth discussions with various ministries, it was agreed that the Ministries of Health (MoH), Ministry of Infrastructure (MoI) and Ministry of State Administration and Territorial Management (MSATM) with support of the team of consultants would identify and outline detailed steps to be taken by each ministry for devolving and delegating functions to municipalities as well as budget implications for the sectors “health”, “water and sanitation” as well as the set-up of the municipalities. These strategy papers (“Sector Decentralisation Strategic Frameworks S-DSFs”) will be instrumental for outlining specific steps for the implementation of the decentralization process in these sectors, once the local government laws have been approved by parliament.

2.3 Restructuring the MSATM

A technical support mission took place in April 2009 to review the current 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, in order to enhance its capacities for support to future municipalities. Following a series of meetings with the Minister and Secretary of State for Administrative Reform, as well as individual directorates, a MSATM Council of Directors meeting was held to discuss preliminary findings of the mission. The recommendations made by the Technical Assistance mission were discussed with the Ministry.

In addition, another technical support mission took place in May 2009 to develop practical

recommendations with regard to the future structure of Municipalities. Based on consultations with key stakeholders at the national and local level, the mission recommended a structure for future municipalities and prepared a draft organic law of future municipality. These outputs will need to be discussed with the MSATM and other key stakeholders once the organic law on municipalities has been discussed in parliament.

2.4 Continued support to the Ministerial Technical Working Groups (MTWGs)

LGSP continued to support MSATM in coordinating with all MTWGs. However, support during the second quarter of 2009 concentrated on selected ministries that have been identified as “pioneers” for the decentralization process: i.e. Ministries of Health, Ministry of Infrastructure and Ministry of Finance. LGSP supported the three ministries in identifying which functions should be devolved or delegated to future municipalities. It is envisaged that other ministries will receive increasing technical support in the next phase, the rationale being that these ministries can learn from the experience and lessons learned made by the pioneer ministries during this first phase of support.

2.5 Socialisation of the Basic Law Proposal on Local Government:

Based on a request by MSATM, LGSP supported a socialization campaign on the three local government laws, which are being currently discussed in the parliament. Discussions were held with communities and community leaders in the districts of Oecusse, Bobonaro and Baucau, with the objective to raise people’s awareness regarding the changes from district to municipal structure, and its implications for local communities such as service delivery and democratization.

2.6 Planned activities for the next quarter

- **Continued support to Ministerial Technical Working Groups (MTWGs):** LGSP plans to continue technical support to the MTWGs, supporting discussion on the transfer of functions to municipalities.
- **Technical Mission on Municipal Planning, Budgeting, and Finance Management:** a technical assistance mission on Municipal Planning, Budgeting and Finance Management is scheduled to take place in July 2009.
- **Establishment of a Preparatory Committee:** following a proposal from a visiting Portuguese mayor, MSATM requested LGSP to support the establishment of a high-level Preparatory Committee, which will provide advice and guidance to the decentralization process.
- **Production of a booklet on local government laws:** Once the local government laws have been approved, the local government laws will be officially translated and compiled in a booklet.

OUTPUT 3: SUPPORT TO IMPLEMENTATION OF LOCAL GOVERNMENT REFORMS

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

Given that the local government legislation is yet to be approved by parliament, LGSP's activities related to the third programme component focused on communication and awareness raising activities.

3.1 Production of Social Communication Material

The communications unit continued to produce social communication materials and provide press coverage on the LGSP and the MSATM's activities in the area of decentralization:

- In the second quarter of 2009, a Training-of-Trainer (TOT) session on social communication was held. The NGO CONCERN is currently implementing social communication activities with local partners in Manufahi and Lautem. A monitoring visit to Mindelo Village, Turiscai Sub-District of Manufahi district and follow-up meetings with CONCERN were held to discuss progress and challenges to implementation.
- The communications unit supported the government on socialization activities in four (4) districts: i.e. Dili, Bobonaro, Baucau and Oecusse, and a range of communication materials on decentralization have been provided.
- The monthly bulletin editions for April and May have been finalized. However, there have been delays in printing due to difficulties with the procurement process.
- 1,000 copies of a booklet in Tetun, which combines four editions of monthly LGSP bulletins from January to April 2009, and 50 copies of the English version are being produced.
- The production of the radio program has been delayed due to changes in RTL's radio programme. Given these difficulties, the communications unit plans to use UNMIT's radio studio for the production of the radio program until other options with national partners have been identified.

3.2 Civic Education on Municipalities

The communications unit continued to promote the ministry's activities on decentralization through its civic education program. In April, the ministry called for a coordination meeting for organizations that consider participating in civic education activity on Municipality campaign. It was decided to hold these coordination meetings on a regular basis, possibly in the form of a Technical Working Group.

3.3 Planned activities for the next quarter

- Update the website
- Three more editions of the decentralization monthly bulletin (July-September).
- Production of the first radio program.
- Preparation of materials for an information campaign on the process of municipalization
- A District visit to one of the 4 districts that will be transformed into a municipality to hold interviews for a radio program, and organize a radio talk show to discuss the government's plan to establish municipalities.

OUTPUT 4: Programme Management

4.1 Steering Committee Meeting

A Programme Steering Committee (PSC) meeting took place in early June, in which the annual progress and key achievements in 2008 and the Annual Work Plan for 2009 were presented, discussed and approved by the PSC. Given the urgent need for support by the ministry for the drafting of subsidiary legislation for decentralization, the PSC also approved the deployment of a legal advisor, initially for six months. The PSC further welcomed the proposal to support the development of a Joint National Decentralization Programme, which could serve as a government-led coordinating mechanism and platform for donor support in the area of decentralization.

4.2 Programme Management Support

LGSP continued to provide programme management support to ongoing activities of each project component. Regular programme meetings have been conducted every month to discuss project progress, planned activities and challenges. These meetings have proved to be essential for establishing a regular channel for communication and coordination, both within the project team and between LGSP and the government counterpart MSATM.

The project's annual report for 2008 and first quarterly report for 2009 were released.

4.3 Monitoring and Evaluation

During the second quarter of 2009, monitoring and evaluation visits were conducted for the implementation of the project by Community Implementation Committees in Manufahi and Aileu District to monitor implementation in line with the Local Community Contracting and Community Payment contract.

In order to increase the capacity of the technical staff in 8 pilot districts with regard to the design of the AutoCAD program, the monitoring and evaluation unit conducted a training on AutoCAD program for 25 technical staff.

In addition, the Management Information System (MIS) is being updated on activities from every output on the Annual Work Plan (AWP) 2009.

4.4 Recruitment processes

Various recruitment processes for open positions have been finalized:

- For the position of the International Technical Specialist/CTA, Ms Susanne Kuehn was recruited and took up her assignment in May.
- The position of the International Education and Communications Advisor was filled and the successful candidate, Ms. Thaiza Castilho, took up her assignment in June.
- For Policy and Legislation Clerk, Ms. Gina Garcia was recruited and she started in early May.
- The recruitment for the position of the Local Development Programme Coordinator is ongoing; a written test and interviews were held and one of the candidates was recommended for the position.
- The recruitment for the positions of the Driver Coordinator and Office Cleaner have been finalized and the selected candidates will start working in July.
- The recruitment processes for the positions of the Finance Clerk have been finalized and an offer has been made to the recommended candidate.

4.5 Planned activities for next quarter

- Two LGSP staff and two governments staff members will attend a training on Monitoring and Evaluation and MIS in Indonesia (end of June- early July)
- Finalize M&E module
- Continue to update data in MIS for 2009.
- Monitoring the implementation projects that used saving financial from FY 2008 in the Baucau and Lautem District.
- Conduct Training for DNDLOT and LGSP staff on the M&E System.
- Following the resignation of Ms Henriqueta da Silva, the National Programme Manager, recruitment for this position is planned for the third quarter of 2009. Until the position is filled in, Ms. Kuehn will serve as Programme Manager as well.

Annex 1. COMMENTS TO AWP 2009: PROGRESS COMPARED TO ANNUAL WORKPLAN

This summary is a narrative of results against the AWP report for April to June 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)	Ongoing	Ongoing support to 29 Local Assemblies and 21 SDDCs
1.1.2 PIC Meeting in 8 Pilot Districts	Ongoing	PIC meetings regarding planning process in 8 districts are being conducted twice a year. The first PIC meetings were held at sub-district level (21 SDAs). The second PIC meeting will be conducted in August 2009.
1.1.3 Support SDDC Planning Process	Completed	First and second SDDC meeting regarding Local Planning Process were conducted at 21 SDDCs during Q1 and Q2.
1.1.4 LA Bid Opening	Partially Completed	23 LA Bid Opening meetings were held in 8 Districts. Bid Openings were completed in 6 districts, 2 districts have completed the original bid opening but had to re-tender after evaluating the tender documents of some projects.
1.1.5 PIC Technical Meeting	Ongoing	PIC technical meetings were held in 8 pilot districts and 21 Sub-Districts Assemblies regarding 2009 implementation and planning process for FY 2010. In total, 12 meetings were conducted at districts and sub-districts level.
1.1.6 Support establishment Oversight Committee	Partially Completed	In support to the LAs, LDP team sent the letter and explained how to establish the Oversight Committee. No visit from LDP was made to districts or sub-districts to assist LAs in the establishment process. So far 5 districts were established and submitted the list of the Local Oversight committee. 3 districts have not submitted the list yet.
1.1.7 Finance Report Meeting	Completed	During Q2, 50 Finance Officers from 29 LA met on finance reporting. The next meeting will be conducted between July and August.
1.1.8 Observing DA Finance Revision in actual districts	Scheduled for quarter 3	LAs finance revision of 2009 could not be conducted in Q2 because procurement processes are still on going and not yet completed in several pilot districts.

1.1.9 Observing LA Meeting in Pilot Districts	Ongoing	In this quarter no LA meeting was conducted. The second LA meeting is scheduled in Q3, as the procurement process is not yet completed.
1.1.10 Provide IT equipment to LA Secretariat	Ongoing	In total 8 computers and printers have been procured by UNDP Procurement Unit. It is expected to be delivered to district offices between July and August.
1.1.11 Provide Furniture/equipment to LA	Ongoing	In total 8 motor bikes and 8 sets of furniture have been procured by UNDP Procurement Unit, it is expected to be delivered to district offices around July and August.
1.1.12. Observe DA, SDA Procurement Process in pilot districts	Partially Completed	6 districts completed procurement process and 2 districts are still under process: it is expected to be completed beginning of July
1.3 Introduce measure to improve the levels/quality of participation in Local/municipal Assemblies and suco Council (Standing Committee, training etc.)		
1.3.1 Training in Planning Regulation to District & Sub-Districts Assemblies	Scheduled for quarter 4	The objective of the training is to train new LA members in 8 pilot districts, based on the proposed laws from MSATM. Suco council elections will be held in 2009 where the voting LA members will change. Therefore, this activity was postponed to Q4.
1.3.2 Training in finance and procurement regulations in pilot districts	Scheduled for quarter 4	The objective of the training is to train new LA members in 8 pilot districts, based on the proposed laws from MSATM. Suco council elections will be held in September 2009 where the voting LA members will change. Therefore, this activity was postponed to Q4.
1.3.3 Refresher training in Planning, Finance and Procurement regulation to LGSP & DNDLOT staff (national)	Re-scheduled to next quarter	Due to the very tight schedule during this quarter, this activity was re-scheduled to next quarter.
1.3.4 Provide Training to PIC members in Infra. Design and costing	Completed	The training was conducted in April and May 2009, and 25 technical staffs from pilot districts were trained. As the results of the request from the participants, LDP team plans to organise AutoCAD refresher training in August 2009 to the technical staffs.
1.3.5 Refresher training for local stakeholders in planning regulations, budgeting, O&M	Scheduled to next quarter	The training will be conducted in July 2009 together with Community Contracting Manual Training to LA members in 29 LAs
1.4 General Issue		
Print and distribute Certificate on Planning Regulation Training	Ongoing	List of participants' name from Ainaro district is still being recorded. It is expected to be finalized within July 2009.
1.5 Additional Activity		
1.5.1 Provide training on	Scheduled to	The training will be conducted in July 2009,

Directive no11/2008/MAEOT regarding Community Contacting Manual	next quarter	together with Refresher training on Planning regulation to LA members in 29 LAs
Output 2: POLICY AND LEGISLATION Support is provided to GoTL for the establishment of an appropriate and comprehensive institutional, legal, and regulatory framework for local government		
2.1 Regulatory framework and guidelines for implementation		
2.1.1 Continued work on LG legislation	Ongoing	LG legislations are currently discussed at the National Parliament. The law on Administrative and Territorial Division approved. Discussion on Local Government law is still ongoing.
2.1.2 Draft and issue Guidelines on Rules and Procedures for Municipal Assemblies	Scheduled in Q2&3	This activity is scheduled in Q2 and Q3.
2.1.3 Formulate and issue Decree Law on Rates of Remuneration for Mayors, Deputy-Mayors, Speakers, Standing Committees and Members of MAs	Scheduled in Q2&3	This activity is scheduled in Q2 and Q3.
2.1.4 Formulate and issue Decree Law on Municipal Organizational Structure	Scheduled in Q2&3	A study was completed in May and an organic law is being prepared and pending for discussion within MSATM.
2.1.5 Formulate and issue Decree Law on Municipal Personnel Management	Scheduled in Q3	This activity is scheduled in Q3.
2.1.6 Formulate and issue Ministerial Decree Law on Relations between Municipal Assemblies and Suco Councils	Scheduled in Q2&3	This activity is scheduled in Q2 and Q3.
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 in Q3 -	It was originally scheduled in March 2009, but due to unavailability of a consultant, this was rescheduled in Q3 onward.
2.2.2 Municipal public financial management	Re-scheduled 3	This activity is re-scheduled in Q3.
2.2.3 Formulate and issue Decree Law on Municipal Budgeting and Financial Management Manual	Re-scheduled in Q3	This activity is re-scheduled Q3.
2.2.4 Draft and issue Guidelines for Municipal Planning, Budgeting and Implementation	Re-scheduled in Q3	This activity is scheduled in Q3.
2.2.5 Draft Municipal Procurement decree law and Manual	Re-scheduled in Q3	This activity is scheduled in Q3.
2.2.6 Formulate and issue decree law on municipal revenues (Fees, Charges, Fines and External Grants)	Re-scheduled in Q3	This activity is scheduled in Q3.

2.2.7 Formulate and issue decree law on municipal finances: Block Grants	Scheduled in Q3	This activity is scheduled in Q3.
2.2.8 Formulate and issue decree law on municipal finances: Specified transfers	Scheduled in Q3	This activity is scheduled in Q3.
2.2.9 Calculation of 2010 budget envelopes and inclusion in 2010 submission	Ongoing	This activity is scheduled in Q4 but it has been prepared by Government.
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)	Ongoing	Following initial work on functional assignments that was completed in March, the work continues in May and June. Reports and Sector DSF for three Ministries will be completed after the mission is concluded by the end of June.
2.3.2 Prepare for devolution of infrastructure delivery functions to municipalities (Sector DSF, Decree Law, amended regulations, costings)	Ongoing	Following initial work on functional assignments that was completed in March, the work continues in May and June. Reports and Sector DSF for three Ministries will be completed after the mission is concluded by the end of June.
2.3.3 Prepare for delegation of regulatory and registry functions to municipalities (Sector DSF, Decree Laws, amended regulations, costings)	Ongoing	Following initial work on functional assignments that was completed in March, the work continues in May and June. Reports and Sector DSF for three Ministries will be completed after the mission is concluded by the end of June.
2.3.4 Prepare for decentralisation of social assistance and social protection functions to municipalities (Sector DSF, Decree Law, amended regulations, costing)	Ongoing	Following initial work on functional assignments that was completed in March, the work continues in May and in June. Reports and Sector DSF for three Ministries will be completed after the mission is concluded by the end of June.
2.3.5 Continue Ministerial TWG activities on sector decentralization and coordination	Ongoing	The coordination during Q2 focused on MTWGs involved in functional assignment mission.
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 will be conducted in the 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	Scheduled in Q3	This activity is scheduled for Q3.
2.5.2 Training MSATM staff, MECs and political candidates in transitional arrangements	Scheduled in Q3&4	This activity is scheduled for Q3 and Q4.
2.5.3 Establish municipalities	Scheduled in Q3&4	This activity is scheduled for Q3 and Q4.
2.5.4 Support municipal planning and budgeting for 2010	Scheduled in Q4	This activity is scheduled for Q4.

2.6 Municipal Capacity Building		
2.6.1 Design Municipal Capacity Building Strategy (MCBS)	Scheduled in Q2&3	This activity is scheduled for Q2 and Q3.
2.7 Demarcation of Municipal boundaries		
2.7.1 Define a methodology for demarcation of municipal boundaries	Scheduled in Q2&3	This activity is re-scheduled to Q3 and Q4.
2.8 Reconfigure MSATM		
2.8.1 Undertake institutional assessment of MSATM	Scheduled in Q2	A study was completed in April and a revised organic law is being prepared and pending for discussion within MSATM.
2.8.2 Restructure MSATM	Scheduled in Q3&4	This activity is scheduled for Q3 and Q4.
2.9 Engaging development partners		
2.9.1 Establish Joint Local Governance Forum (JLGF)	Rescheduled in Q3 onward	This activity was rescheduled for Q3 onward.
2.9.2 JLGF operational	Scheduled Q2&3&4	This activity is re-scheduled to Q3 and Q4.
2.10 Oversight, policy reviews and taking stock		
2.10.1 Establish Inter-Ministerial Commission on Decentralisation	Scheduled in Q2	This activity is re-scheduled to Q3.
2.10. 2 Oversee and review implementation of Decentralisation reforms	Scheduled in Q2&3&4	This activity is re-scheduled to Q3 and Q4.
2.10. 3 Carry out baseline survey of local governance	Scheduled in Q2	This activity is re-scheduled to Q3.
Output 3: IMPLEMENTATION OF GOVERNMENT REFORM		
Support is provided to GoTL for the implementation of local government reforms		
3.1 Production of social communication material		
3.1.1 Bi-monthly radio programme	Ongoing	The production of radio program was delayed as the contract with RTL was not extended due to readjustment of the program and radio structure. The next production is planed in early July with a new co-production partner UNMIT radio unit.
3.1.2 Monthly decentralization bulletin	Ongoing	Monthly bulletin April and May edition was finalized, due to a procurement problem, the production and distribution been stop for 2 editions, the item is being re-advertised by the Procurement Unit. The next production and distribution will be in early July.
3.1.3 Fact sheets	Ongoing	A four-page fact sheet was produced on establishment of Municipalities and Decentralization process in four districts (Baucau, Bobonaro, Dili and Oecusse). The next fact sheet to be produced is on municipality campaign.

3.1.4 radio talk Show	Ongoing	The last radio talk show was held in Bobonaro district in May regarding the Decentralization process. The radio programme was aired at Maliana Community Radio Station. The next program will continue to be broadcasted.
3.1.5 TVTL talk Show	Ongoing	Planned to be held when the 3 laws are approved.
3.1.6 Booklet	Ongoing	1,000 copies of booklet in Tetun, and 50 copies of English version are planned to be printed, when the translation of April Bulletin is finished.
3.1.7 Website	Ongoing	A new section on Journal of Republic was uploaded only half of 2008 edition, due to the internet problem at the Ministry. The remainings up to 2009 will be uploaded on website as soon as the access to server and internet is recovered.
3.2 Develop communication capacities for central & local level		
3.2.1 Production of Suco Board	Completed	Information boards have been finalized, and the implementation completed and distributed to all village offices
3.2.2 Monitoring	Ongoing	Regular district visits are being conducted.
3.2.3 Training for Journalists on the local governance law	Scheduled in Q3	This activity will be conducted when the three laws approved and promulgated.
3.3 Civic Education		
3.3.1 Implementation of Civic Education Module Prepare training module on decentralization and local government	Ongoing	TOT for the training has been completed on 6-7 April, and CONCERN is currently implementing the contract with local partners in Manufahi and Lautem. The second module of civic education was drafted and will be implementing during the municipality campaign.