United Nations Development Programme
Project Document

Project Title: Supporting Decentralisation of Public Administration through Effective Delivery of Public Service at Municipal Level

Project Number: 00108765

Implementing Partner: General Directorate of Decentralisation, Ministry of State Administration

Start Date: 30th August 2018

End Date: 31 December 2019

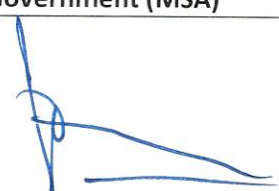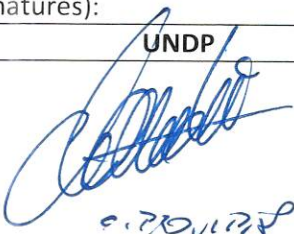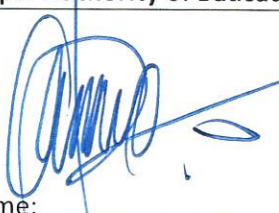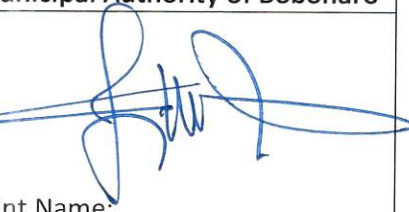| Brief Description |
|---|
| Public services promote tangible links, making the state more visible and closer to its citizens. The history has shown the delivery of public services had a role to play in the state and nation-building process. Improved delivery of public services can potentially lead to a higher satisfaction of citizens, whenever their expectations and individual circumstances are taken into account.

 Given the growing importance over the increase of the capacity and quality of public service delivery, several policy and budgeting reforms have been initiated since 2003 in support of a more decentralized process in which municipalities are empowered and capacitated to deliver public services.

 The project "Supporting Decentralization of Public Administration through Effective Delivery of Public Service at Municipal Level" will establish a multi-actor and multi-stakeholder framework for building capabilities in the selected municipalities to implement a municipal program and strategy to improving public service delivery and ultimately human development. The project aims to support effective service delivery in Timor-Leste by supporting decentralized public administration institutions. On this regard, the project's general outcome is "governance improved by promoting service delivery and participation of excluded groups including women and youth in the prioritization and investment of key areas in the Municipalities of Baucau and Bobonaro".

 The project has two outputs: 1. Priority areas in each pilot Municipality identified and agreed, promoting participation of women and youth through the UNDP ART methodology; 2. Social impact projects designed and implemented at the local level, improving the service delivery capacity in each pilot Municipality. |

| **Contributing Outcome (UNDAF/CPD, RPD or GPD):** State institutions are more responsive, inclusive, accountable and decentralized for improved service delivery and realization of rights, particularly of the most excluded groups (Outcome 4). Capacities and systems of sub-national institutions developed to provide more efficient, accountable and accessible services to citizens, particularly for the rural poor and other disadvantaged |

Total resources required:		
Total resources allocated:	**UNDP TRAC:**	-
	Donor (KOICA):	**USD 758,726**
	Government: Municipality of Bobonaro	USD 100.000
	Municipality of Baucau	USD100,000
	In-Kind: **Municipality of Bobonaro**	1. At least 1 dedicated staff from the municipality to work on the project 2. Working station (desk etc) 3. Venue for the organization of meetings
	Municipality of Baucau	1. At least 1 dedicated staff from the municipality to work on the project 2. Working station (desk etc) 3. Venue for the organization of meetings
Unfunded:		0.00

Agreed by (signatures):

Government (MSA)	**UNDP**
Print Name:	Print Name:
Date:	Date:
Municipal Authority of Baucau	**Municipal Authority of Bobonaro**
Print Name:	Print Name:
Date:	Date:

I. DEVELOPMENT CHALLENGE

The establishment of strong institutions and capacities at all levels to ensure the delivery and quality of public services has been at the focus of the government and political agenda of Timor-Leste since 2003. Although a lot of progress has been made towards enhancing the process governance of public service delivery through improved efficiency, accountability, and transparency, a lot of challenges and opportunities lie ahead.

In response to the steady commitment of the government to reach all its citizens with quality public services, the Ministry of State Administration, in line with its policies for decentralization of public administration, requested the initiation of the project "Supporting Decentralisation of Public Administration through Effective Delivery of Public Service at Municipal Level" with the aim of building capacities of the civil servants within municipalities to effectively deliver public services that are accessible to all. Apart from the increasing role that municipalities will have in the short- and long-term run in delivering public services, the initiated decentralization process supports a democracy from below in which all inhabitants and other local actors actively participate in the decision-making process, reflecting their needs and future aspirations.

In 2010, the National Strategic Development Plan 2011-2030 established four main objectives to be achieved through administrative decentralization policies: the development of the private sector in rural areas; the creation of new opportunities for democratic participation; the promotion of strong institutions; and the establishment of more effective, efficient and equitable provision of public services. To achieve these objectives and to contribute to the decentralization of the public administration, it is required the introduction of a new level of municipal governance. This indeed requires development of capacities within local administrations through the introduction of management systems, processes and procedures of local governance and through the design and execution of capacity building actions mainly in public financial management, planning, and monitoring and evaluation of public programs.

Ever since, the government went through a series of reforms that by means of the present legal frameworks has underpinned the gradual transition of the power to the Municipal Administrations and Municipal Authorities. Because of the complexity of the process, the transition is organized in three stages, starting first with 'administrative pre-deconcentration' — outlined under 2014 Decree Law No. 04/14 — which entails the start of the institutional reform, the creation and approval of the necessary framework and the preparation of the local development plans. While the second stage, requires future actions towards administrative decentralization, under which the national government would start to apply the approved legislation and a staged delegation of competences to Municipal Administrations and Municipal Authorities to deliver public services, the third stage entails full decentralization, whereby it would be possible to transfer the power, responsibility and duty to the local government structures which would be holding local elections by that time.

In 2016, progress was seen in deconcentrating government administration, with the establishment of four Municipal Authorities (Baucau, Bobonaro, Ermera, and Dili) and eight Municipal Administrations (Aileu, Ainaro, Cova Lima, Lautem, Liquica, Manatuto, Manufahi, and Viqueque) in the country. This was further buttressed by the adoption of a new Suco Law in 2016, which stipulated new roles and responsibilities to Suco councils. In July 2017, the package of three laws concerning the establishment of local government was passed in the National Parliament after several years of delay.

After several years pending in the National Parliament, recent developments of legal frameworks are encouraging local elections, this being recognized by the Law on Local Government and the Law on Municipal Elections, approved in 2017. Together with the Law on Territorial and Administrative Division, approved in 2009 and amended in 2017, the legal framework governing the decentralization process will soon be in full effect under the 8th Government.

3.1. Project Rationale

3.1.1. UNDP support to the Decentralization Process in Timor-Leste

As the specialized agency of the United Nations focusing on issues of development, UNDP has a mandate to eradicate poverty and support countries in their development path.

In Timor-Leste, UNDP has been closely involved in the decentralization process since its inception. In 2004-2005 UNDP and UNCDF provided technical support to the Ministry of State Administration's Local Development Programme (LDP) in three pilot districts. The success of this programme resulted in the government's decision to scale up the LDP to all districts in 2010. The LDP together with another local investment programme of the Ministry of State Administration called Decentralized Development Package (DDP) formed the basis of the Integrated District Development Planning (known as PDID) which aims to facilitate sub-national planning, procurement, and financial management through a set of harmonized and simplified systems and procedures.

UNDP also assisted in the development of the Decentralization Strategic Framework, comprising timeframe and milestones for decentralization reform, as well as the drafting of a package of three laws for the establishment of sub-national government guiding the pace and scope of decentralization reform: The Law on Territorial and Administrative Division, the Law on Local Government and the Law on Municipal Elections. The Law on Territorial and Administrative Division was approved by the National Parliament in 2009, while the other two Laws were approved by the National Parliament in 2017. From 2014 to 2016, UNDP supported the capacity development of municipal administrations working closely with the Secretary of State for Institutional Strengthening (SEFI) in the design of training courses for sub-national civil servants.

Apart from the decentralization reform, UNDP has also supported the local development agenda, largely focused on sub-national infrastructure and service delivery (ISD) through a bottom-up planning and budgeting process at the district and sub-district levels. An important area with respect to strengthening public service with which UNDP has been involved in recent years is supporting the National Diagnostic initiative of the Secretary of State for Institutional Strengthening, which report was completed in 2016. This involved an assessment of 11 state institutions with a view to making them 'fit for purpose' vis-à-vis their expected roles and contributions in achieving Strategic Development Plan (2011-2030) targets. The National Diagnosis and Institutional Strengthening focused on understanding the bottlenecks and root problems in public service delivery and performance capacity while promoting the principle of empowerment of state institutions and organisations.

3.1.2. Project objectives

Through UNDP ART (Articulation of Territorial Networks) Initiative, this project will establish a multilevel and multi-actor governance platform/framework for the delivery of public services, spearheaded by the municipalities and local communities. The initiation of such a platform, utilizing UNDP's worldwide tools and methodologies to promote territorial development and decentralization, becomes key for the local development agenda and eradication of poverty.

The project, in line with the undergoing decentralization process in the country, aims to support at least two (2) Municipalities in delivering public services based on evidence and through participatory processes, in which civil society, private sector, academia and other experts and local stakeholders are being continuously engaged. On this regard, the project's general outcome is "improved governance through promoting service delivery and participation of excluded groups including women and youth in the

prioritization and investment of key areas in the selected municipalities, in this case the Municipality of Baucau and Bobonaro."

The project aims to overcome some of the challenges related to public service delivery at local level and proposes the establishment of a multilevel and coordinative mechanism/working group at the municipal level, providing the municipalities with a methodology on how to approach local development and deliver public services that respond to the needs and future aspirations of its inhabitants. The project promotes:

1) Capacity building of municipal civil servants on participatory local development planning, public service delivery and project investment cycles;
2) Strategic planning through the drafting of Municipal Development Plans;
3) Bottom-up development, encouraging participatory mechanisms and processes;
4) Multi-level and multi-stakeholder governance;
5) Effective cooperation and coordination amongst all partners for sustainable local development.

3.2. Alignments

3.2.1. National Priorities

The Constitution of the Democratic Republic of Timor-Leste observes the principle of local self-government through the decentralization of public administration to ensure citizen participation in decision-making at the sub-national level[1]. In this context, the Government has been taking continuous steps to fulfil this constitutional requirement and to increase citizen participation in decision-making, especially in rural areas - home to over 70 percent of Timor-Leste's population[2]. The following laws and strategies have been approved in support of a decentralized public administration:

- Decree Law No. 2/2004 on the Election of Suco Chiefs and Suco Councils;
- Decree Law No. 3/2009 on Community Leadership and Their Election;
- Law No. 11/2009 on Territorial Administrative Division;
- Timor-Leste Strategic Development Plan 2011 – 2030;
- Decree Law No. 4/2012 on the Integrated District Development Planning;
- Decree Law No. 8/2013 on the set-up of PNDS;
- Decree Law No. 4/2014 on the Pre-Deconcentration Structure;
- Law No. 9/2016 on the Statute of Sucos;
- Decree Law No. 3/2016 on the Structure of the Administrative Municipalities, Municipal Authorities, and Inter-Ministerial Technical Groups for the Administrative Decentralization.

3.2.2. Global Priorities

The objectives outlined in this project document are linked directly to the Sustainable Development Goal No. 16: "Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels." The project also contributes to other Sustainable Development Goals, namely:

- Goal 1 "End extreme poverty in all forms by 2030";

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[1] Constitution of the Democratic Republic of Timor-Leste, article 5

[2] United Nations D...

- Goal 2 "End hunger, achieve food security and improved nutrition and promote sustainable agriculture";
- Goal 5 "Achieve gender equality and empower all women and girls"; and
- Goal 17 "Strengthen the means of implementation and revitalize the global partnership for sustainable development."

II.   STRATEGY

Since 2005, UNDP has been spearheading a multi-level and multi-actor approach to development and public service delivery, through the ART (Articulation of Territorial Networks) Initiative, promoting sustainable human development at the local level by strengthening the capacities of local stakeholders and by facilitating the sharing of knowledge and expertise.

Through the ART initiative and through this project, UNDP will aim to promote dialogue between territories and their communities, advocating a new cooperation platform based on horizontal relationships and equal partners. This methodology will link communities and municipalities, allowing them to work in partnerships on issues of common interest, such as health, education, youth employment etc. On the one hand, the ART Initiative aims to promote an effective cooperation mechanism at the local level through promoting inclusive ownership of development interventions. On the other hand, this methodology aims to harmonize development actors' work and align local and national strategies.

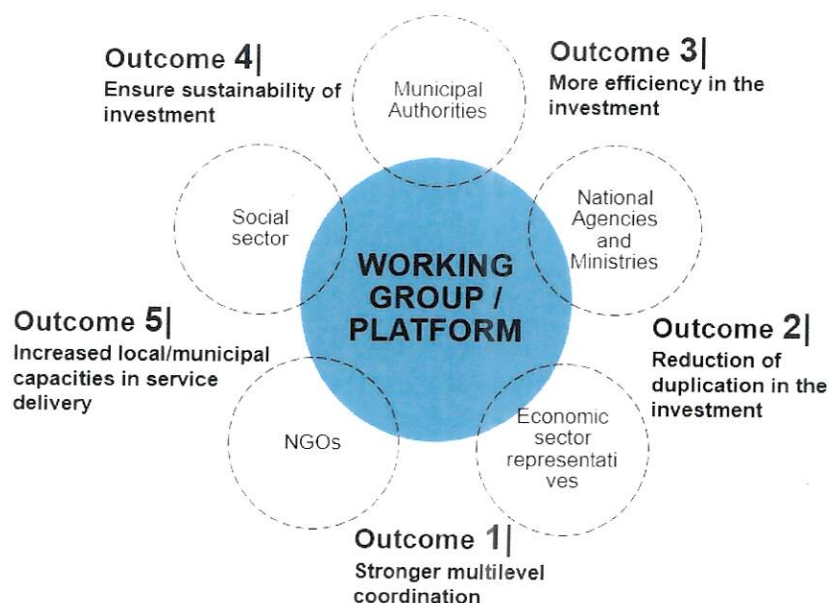Some of the benefits of ART initiative are:

- Promotes a territorial approach to development, with resilient cities at the core of the territory's development

- Offers a multilateral framework appraising the role of cities in the context of effective multilevel governance

- Facilitates the global exchange of knowledge and expertise among cities/local authorities

DIMENSIONS OF THE METHODOLOGY

Multi-actor coordination by implementing Working Groups

The Working Groups are a space for consultation between local actors (at all three levels), which have a direct or indirect relationship with the development of the territory.

These actors, through specific methodologies, seek to agree a common vision of the development of the region, detect needs, prioritize actions and concur in investments to make them a reality.

Outcome 4| Ensure sustainability of investment

Outcome 3| More efficiency in the investment

Outcome 5| Increased local/municipal capacities in service delivery

Outcome 2| Reduction of duplication in the investment

Outcome 1| Stronger multilevel coordination

Municipal Authorities

Social sector

National Agencies and Ministries

WORKING GROUP / PLATFORM

NGOs

Economic sector representatives

Multilevel coordination

The methodology operates within a multilevel structure that seeks to articulate and complement territorial, national and international development processes. This model facilitates the establishment of mechanism for dialogue and concertation of the various levels of government that operate in a given territory. These mechanisms allow cooperation actors to the existing demands of the territories while simultaneously articulating them with national development processes and strategies in order to avoid fragmentation.
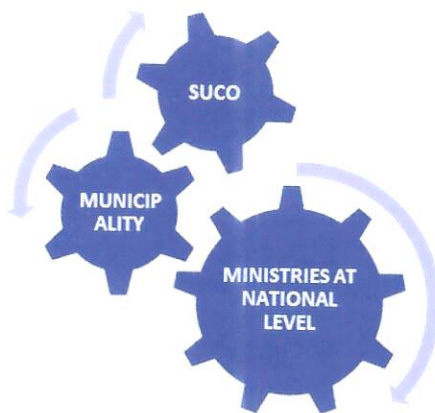
The establishment of a common framework for multilevel and multi-actor articulation will promote development interventions that are channelled in support of integrated territorial plans, reducing duplication and fragmentation between projects and interventions while increasing the impacts and sustainability of interventions in support of sustainable human development.

The Working Group/Platform at each municipality becomes the key entry point for other actors who wish to harmonize their actions in support of effective and decentralized delivery of public services. As a result, the adoption of ART Initiative ultimately contributes to the local economic development while tackling inequality and exclusion, ensuring that development benefits all equally.

The methodology is a tool to promote decentralization and local development in Timor-Leste and, in addition, works as a:

- A tool for decision making for public and private investment: articulated, multilevel and participatory approach
- Is a programme (medium - long term process).
- Allow endogenous development by capitalizing on the strengths of each territory.
- Participation and empowerment of usually excluded actors

STEPS FOR THE IMPLEMENTATION OF THE METHODOLOGY

The steps of the methodology are oriented to promote territorial development through a human development approach that efficiently combines endogenous potential with poverty reduction, social and gender equality.

PHASE 01	PHASE 02	PHASE 03
PARTICIPATORY ASSESSMENT	MUNICIPAL STRATEGIC PLAN [including the priorities for investments)	IMPLEMENTATION OF THE SELECTED INFRASTRUCTURE
Year 2018	Year 2018	Year 2019

1. **Step 1: Project Launching**

2. **Step 2: Elaboration of the diagnostic or participatory assessment:** Data collection at the municipal level, including data disaggregated at sub-district and suco level. The Baseline Assessment provides the basis to understand the development status of the Municipality of Baucau and Bobonaro, assessing the municipal progress and continuing challenges towards the delivery of public services.

   Setting up a good governance of public service delivery requires a detailed analysis and policy evaluation. Data analysis facilitates the implementation of evidence-based interventions and development strategies and guides governmental decision and policy-making processes.

   The final objective is to provide reliable information for decision making and investment prioritization. The baseline analysis contributes to the specific objectives:

   a) Strengthen policy frameworks by conducting a participatory assessment to prioritize the investments and inform a Strategic Planning, based on evidence;

   b) Capacity building of communities, municipality and civil society to fully engage in all the processes related to development planning and public service delivery and investment cycles;

   c) Effective cooperation and coordination for the monitoring and evaluation of public service delivery and local development planning, including the strengthening of resource mobilization through the involvement of international, regional, national, and local actors in the abovementioned processes;

   d) Bottom-up development through participatory processes, Sustainable territorial and local development

   1st workshop with local organizations:
   Validation of the data: The process includes the initiation of a participatory process for the collection of new data and verification of the existing one.
   Consolidation of the data: The collected data will be consolidated into an excel database and further calculations will be derived in support of the baseline assessment

   2nd Workshop with local organizations:
   Presenting the results: The results will be presented to the working groups in the municipality, including the community. Table, charts and graphs will be developed per each indicator agreed

3. **Step 3:**
   3rd Workshop with local organizations:
   Prioritization of investment in the areas of interventions: The baseline assessment will contribute towards prioritization of the areas of interventions, informing evidence-based decision-and policy-making.

4. **Step 4: Investment project development:** High quality project will be developed to ensure service delivery in the prioritized sectors. The projects will be developed ensuring strong participation of the local community.

5. **Step 5: Implementation of projects:** This step covers the implementation of the projects that have been prioritised and designed by the international and national consultants.

From the beginning to the end of the project, monitoring and evaluation will be promoted in order to allow improvements and correct implementation of the project.

Expected Results

- Output 1. Priority areas in each pilot Municipality identified and agreed, promoting participation of women and youth through the UNDP ART methodology

- Output 2. Social impact projects designed and implemented at the local level, improving the service delivery capacity in each pilot Municipality

Partnerships

Local actors, as the municipalities are, are key to ensure service delivery and development in general:

- Local governments are responsible bodies to ensure service delivery.

- Local authorities are closer to the people and therefore can ensure that investments are adapted to the local needs and characteristics.

- Municipalities can be a node to ensure coordination between national agencies and communities (Sucos – villages)

- They can help to reduce disparities in the access to services within the territory: ensure that all members of the local community have access to at least the minimum level of basic municipal services.

The project will be implemented in partnership with public, private and social institution at different levels:

	- Ministry of State Administration, - Sectorial Ministries, - Agencies and deconcentrated institutions for development (IADE, etc) etc. - Sucos
	Private companies (national, local and internationals), vendors and other institutions with interest and capacity to contribute in the development process of the municipality.
	- National Ministry of Health, Education - Representatives from health facilities at municipal level - Education sector (primary and technical education) - Representatives of youth (Youth Center), woman and LGTB community.
	- National and international NGOs implementing projects in the municipality - UN agencies (UN Women)

Risks and Assumptions

The primary risk component related to the implementation of the project is the change of political support for the decentralized public administration, which is unlikely to happen. To mitigate this risk with a high impact for the implementation of the project, UNDP will work closely with the Government of Timor-Leste, both at the local and national level, to support the actions towards the decentralization of public administration. UNDP will ensure to promote a multi-level and multi-stakeholder platform in which the civil

servants and other local actors are capacitated to deliver public services, regardless any potential political change. Continuous outreach and engagement with government counterparts at the local and national level is key to restate the rationale and benefits of the decentralization process as well as foster local ownership of the project.

Another potential risk is related to the change of leadership at the local level due to municipal elections to be held for the first time in the country. The Ministry of State Administration and UNDP will agree to have one dedicated senior staff of each municipality to work full-time for the implementation of the project. This not only mitigate the risk of any potential change in the political leadership, but also contribute to the long-term sustainability of the project.

Although there are no environmental risks associated with the implementation of this project, ineffective participatory mechanisms because of a lack of communication or coordination, may have social impacts to the primary beneficiaries, including local communities. UNDP will recruit and appoint one Municipal Facilitator for each municipality to facilitate the workshops and meetings. In addition, the municipal facilitator will ensure that all the local actors, including marginalized communities, etc., are being represented in the working group and other workshops to be held in the framework of this project.

In terms of financial risks, potential delays related to budget allocation and disbursement due to public financial management system and procedures may compromise the implementation of the project on time. UNDP and the Ministry of State Administration will closely collaborate to identify the appropriate financial modalities to be used for the project's implementation. UNDP will also increase advocacy among national government, municipalities, and other donors, in support of bilateral agreements to upscale similar pilot projects.

Stakeholder Engagement

Target areas

1. Good governance on public service delivery
2. Improved decentralized and multi-level cooperation
3. Promotion of collaboration and coordination mechanisms
4. Capacity building of the public servants and other stakeholders, including local community, on delivering public services

Target Groups

- Directors of Technical Offices within the selected municipalities
- Non-Governmental Organizations
- Senior Local Government Officials
- Chief Financial Officers
- National government representatives
- Municipal and Suco representatives
- Civil society and private sector stakeholders
- University and other experts
- Youth and women representatives

South-South and Triangular Cooperation (SSC/TrC)

The project will promote south-south cooperation between municipalities in Timor-Leste and similar actors in countries in the south. UNDP will contact other countries offices to select the appropriate country for the exchange.

Sustainability and Scaling Up

The project will implement the ART methodology with adaptations to the local reality of Timor-Leste's decentralization process. The project is going to be implemented in two municipalities and expects to

generate lessons learned for the Ministry of State Administration in order to **replicate** the experience in the rest of the 11 municipalities of Timor-Leste.

To ensure **sustainability** the project will ensure the following actions:

- 50% of cost sharing from the Municipalities.

- The project staff will work inside the governmental offices working with local staff to ensure continuing learning process.

- Development of lesson learned document at the end of the project.

IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

The project aims to enhancing the capacities of civil servants and civil society in at least two municipalities to develop and deliver public services through evidence-based and participatory approaches. This comprehensive approach will increase the effectiveness of the project, and so does for the accountability of the Government of Timor-Leste. UNDP has the capacity to take this multifaceted approach as the partnerships between UNDP and the Government of Timor-Leste has been strongly forged for more than a decade and has effectively delivered its promised services to date. This long-term, committed partnership with the Government of Timor-Leste will help the project engage with decision-makers quickly, with low costs, and will have a positive influence on policy planning and implementation.

Project Management

The overall management of the project will be undertaken by UNDP under the Direct Implementation modality in partnership with Ministry of State Administration. MSA will be the responsible party for the implementation of specific project activities as indicated in the Results and Resources Framework. The Project Management Board will provide strategic guidance and oversight to the project and will be represented by MSA, UNDP and Development Partners. Board meetings will be held twice during the project period. However, they can also be convened when needed, upon the request of the Project or the Board members. The Board will review and endorse the annual work plan and budget, monitor results and provide guidance on issues of strategic nature.

A National Project Manager will be assigned by UNDP to be responsible for the day-to-day management of project implementation. Serving as the secretariat, the National Project Manager will inform the Project Board about the progress of the project implementation on a regular basis and present the annual work plan, the results and critical issues of the project implementation for the Board guidance and decisions. Regular supervision of the National Project Manager will be jointly provided by UNDP through the Country Director/Governance Programme. The National Project Manager will closely work with the MSA's focal point and senior management to ensure effective planning and implementation of the project. The National Project Manager will also actively engage in the mobilisation of inputs and quality assurance of technical assistance provided by national contractros contracted under a Letter of Agreement between UNDP and MSA. The National Project Management will ensure quality and consistency of the activities and results, in line with project document, work plan and Project Board decisions.

V.   RESULTS AND RESOURCES FRAMEWORK[3]

Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework:
UNDAF Outcome: State institutions are more responsive, inclusive, accountable and decentralized for improved service delivery and realization of rights, particularly of the most excluded groups (Outcome 4).

Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets:
Public sector oversight, accountability and transparency institutions, mechanisms and processes strengthened (3.2)

Applicable Output(s) from the UNDP Strategic Plan: Strengthen effective, accountable and inclusive governance (Signature solution 2)

Project title and Atlas Project Number: Support Decentralization Project (00108765)

EXPECTED OUTPUTS	OUTPUT INDICATORS[4]	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)		DATA COLLECTION METHODS & RISKS
			Value	Year	Year 2018	Year 2019	
Output 1. Priority areas in each pilot Municipality identified and agreed, promoting participation of women and youth through the UNDP ART methodology	At least one priority area for each pilot Municipality agreed by stakeholders including women and youth	MSA	0	2017	1 working group confirm per municipalities	1-2 projects in priority areas per Municipality settled	MSA and UNDP's monitoring activity Report of the working group activity and priority investment implementation
Output 2 Social impact projects designed and implemented at the local level, improving the service delivery capacity in each pilot Municipality	At least one project developed and implemented for each Municipality through participatory planning	MSA	0	2017	1-2 projects in priority areas per Municipality	1-2 projects developed per Municipality	MSA and UNDP's monitoring activity Report of the working group activity and priority investment implementation

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[3] UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

[4] It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where

accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: *[Note: ...onitoring and evaluation plans should be adapted to project context, as needed]*

...onitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
...ack results progress	Identification of the implementation progress through data collection against the results indicators as identified in the RRF. The data will be further analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly or as required for each indicator.	If the results are beyond the expected targets, the project's future steps will be revised and addressed by the project management.		
...onitor and Manage ...k	Any potential risks, including financial ones, that may rise over the course of the implementation of the project will be identified and a risk management strategy will be drafted to mitigate the consequences that may hinder the project's implementation and impact. In addition to the audits, conducted in accordance with UNDP's audit policy to manage financial risks, other monitoring measures that meet UNDP standards will be applied.	Quarterly	Risks are identified by the project management and actions are taken accordingly to manage and mitigate those risks. A risk log frame is actively updated to keep track of the identified risks and the actions taken to manage and mitigate them.		
...rn	Knowledge, good practices and lessons-learned will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project. To achieve this, a particular attention will be paid to the communication strategy, making sure that success stories and project's impact to	Annually	Relevant lessons are captured by the project team and used to inform management decisions.		

	beneficiaries are well-documented. In addition, UNDP, in collaboration with other partners, will promote the establishment of a certified course within the university to train civil servants and other key local stakeholders with hands-on experiences and practices on issues of decentralization and local development.		
nual Project Quality surance	A volunteer will be assigned for the monitoring and evaluation of the project. Through the use of several tools and methods, in line with UNDP monitoring frameworks and standards, the aim is to identify project strengths and weaknesses and to inform management decision-making on how to improve the project	Quarterly	Project's strengths and weaknesses will be reviewed by the project management and will be used to inform decisions to improve project's performance.
view and Make urse Corrections	Internal review of the collected data and evidence from all monitoring actions to inform decision making.	Annually	Performance data, risks, lessons learned will be discussed by the project board and used to make course corrections.
ject Report	A progress report will be presented to the Project Board and key stakeholders, consisting of the collected data for the results achieved against the pre-defined annual targets at the output level; the annual project quality rating summary; an updated risk long with mitigation measures, and any other evaluation or review reports prepared over the course of the implementation of the project.	Annually, and at the end of the project (final report)	
ject Review (Project ard)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall	Annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions must be agreed to address the issues identified.

	hold an end-of the project review to capture the lessons learned and discuss opportunities for scaling up the project results and lessons learned with the relevant audience.		

anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be ...ntified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, ...man resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need ...be disclosed transparently in the project document.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	UNDP CONTRIBUTION			MUNICIPALITY OF BAUCAU CONTRIBUTION			MUNICIPALITY OF BOBONARO CONTRIBUTION		
		2018	2019	Total	2018	2019	Total	2018	2019	Total
...tput 1: ...ority areas in ...ch pilot ...nicipality ...ntified and ...reed, ...moting ...ticipation of ...men and ...th through ...e UNDP ART ...thodology	1.1. Recruitment of the project team (at least 1 municipal facilitator and 1 municipal logistics coordinator per each selected municipality)	US$ 150,000	US$ 298,626	US$ 448,626	In-kind contribution, providing: • At least 1 dedicated staff from the municipality to work on the project • Working station (desk etc) • Venue for the organization of meetings		In-kind contribution as explained in this project document	In-kind contribution, providing: • At least 1 dedicated staff from the municipality to work on the project • Working station (desk etc) • Venue for the organization of meetings		In-kind contribution as explained in this project document
	1.2. Conduct preliminary meetings with municipal staff and other local stakeholders, including NGOs, CSOs etc.									
	1.3. Launch the project and the establishment of the Project Working Group									
	1.4. Organize consultative meetings in the form of									

Activities					
workshops with local partners and stakeholders with the aim of conducting a stakeholder mapping analysis and establishing the Project Working Group					
1.5. Present the first draft of the municipal baseline assessment /analysis					
1.6. Update, validate and present the municipal baseline assessment based on the collected information					
1.7. Through participatory approach, organize and facilitate several meetings to analyse and agree on the key sectors that need to be prioritized in support of the implementation of the project					

TPUT 1 – Total

Output 2:					
...ial impact ...jects ...igned and ...plemented at local level, ...roving the ...vice delivery ...acity in each ...t Municipality					
2.1. Define and design the investment projects to be implemented in each municipality	US$ 110,100	US$ 110,100	In-kind contribution as explained in this project document	In-kind contribution	In-kind contribution as explained in this project document
2.2. Implement and monitor the agreed projects in each municipality	US$ 200,000	US$ 200,000	-	US$ 100,000	-	US$ 100,000
2.3. Conduct monitoring and evaluation activities in		In-kind contribution as explained in this	In-kind contribution	In-kind contribution as explained in this	In-kind contribution

		project document			project document	
support of the project implementation and sustainability		-	US$ 100,000		US$ 100,000	US$ 100,000
OUTPUT 2 – Total	758,726		US$ 100,000		-	
TOTAL			US$ 100,000			US$ 100,000

VIII.

This new project will be overseen by a National Project Manager, who will provide an overall review and management role over the project. The Project Manager will be assisted by financial and training personnel. Furthermore, a Korean professional, who will be primarily responsible for quality assurance and coordination support with development partners, will also provide communication and reporting support with respect to the project. Where the project is established, an implementation framework will need to be established. This project would be implemented under the framework as below:
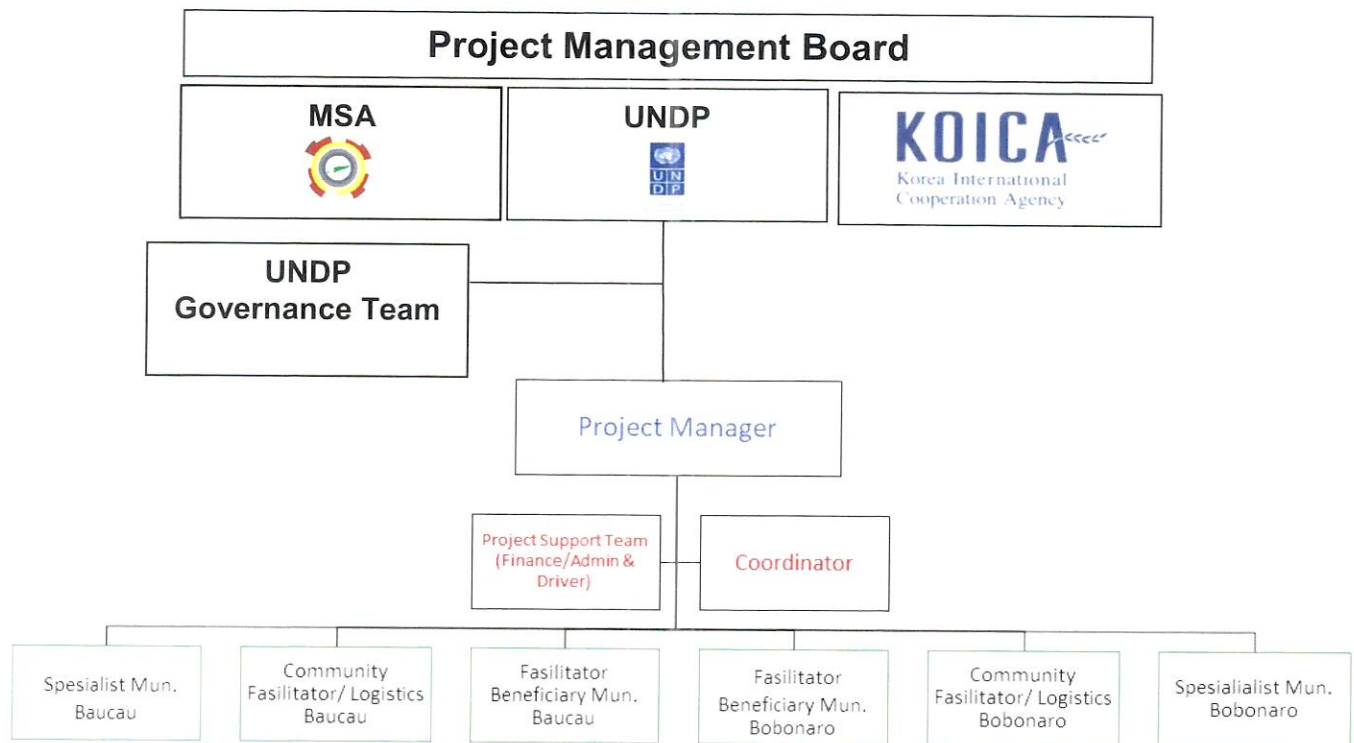
Project Management Board

The Project Management Board (PMB) will be responsible for project oversight and making key decisions on project implementation, to ensure that the project remains relevant and responsive through changing circumstances. The PMB is responsible for: a) reviewing activities and guiding project management on any impending issues; b) approving work plans, budget, and risk log; c) approving project revisions based on changes in the situation. The PMB will meet either once or twice a year. The PMB will be co-chaired by UNDP Country Director and a representative of government counterparts. The representatives of the development partners will be invited to observe the process. Key cooperating organizations or stakeholders may also be a part of the PMB.

National Project Manager

The National Project Manager (NPM) will manage the project on a day-to-day basis on behalf of the Project Management Board. S/he will ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified time and cost. In addition, his/her role will be to ensure coherence and coordination of all project components in accordance with project strategy and objectives. The NPM will be responsible for project administration, human resources, finance, procurement and recruitment. Additionally, where appropriate, the NPM will be supported by Individual Contractors where a particular service or skill-set is required.

IX.   LEGAL CONTEXT

Where the country has signed the Standard Basic Assistance Agreement (SBAA)

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of (country) and UNDP, signed on (date). All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This project will be implemented by **[UNDP] ("Anti-Corruption Commission")** in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

X.   RISK MANAGEMENT

UNDP (DIM)

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)

2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds][7] [UNDP funds received pursuant to the Project Document][8] are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).

4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

5. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

6. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:

    a. Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in

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[7] To be used where UNDP is the Implementing Partner

such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:

    i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;

    ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.

b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.

c. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

d. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

e. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.

f. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

Each responsible party, subcontractor or sub-recipient agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of the Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

g. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.

h. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

i. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

XI. ANNEXES

1. Theory of Change Table
2. Social and Environmental Screening Template
3. Risk Analysis.

Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks? Note: Describe briefly potential social and environmental risks identified in Attachment 1 – Risk Screening Checklist (based on any "Yes" responses). If no risks have been identified in Attachment 1 then note "No Risks Identified" and skip to Question 4 and Select "Low Risk". Questions 5 and 6 not required for Low Risk Projects.	QUESTION 3: What is the level of significance of the potential social and environmental risks? Note: Respond to Questions 4 and 5 below before proceeding to Question 6			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
Risk Description	Impact and Probability (1-5)	Significance (Low, Moderate, High)	Comments	Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.
No Risks Identified				

QUESTION 4: What is the overall Project risk categorization?	
Select one (see SESP for guidance)	Comments
Low Risk	x
Moderate Risk	☐
High Risk	☐

QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?

Check all that apply		Comments
Principle 1: Human Rights	☐	
Principle 2: Gender Equality and Women's Empowerment	☐	
1. Biodiversity Conservation and Natural Resource Management	☐	
2. Climate Change Mitigation and Adaptation	☐	
3. Community Health, Safety and Working Conditions	☐	
4. Cultural Heritage	☐	
5. Displacement and Resettlement	☐	
6. Indigenous Peoples	☐	
7. Pollution Prevention and Resource Efficiency	☐	

Final Sign Off

Signature	Date	Description
QA Assessor		UNDP staff member responsible for the Project, typically a UNDP Programme Officer. Final signature confirms they have "checked" to ensure that the SESP is adequately conducted.
QA Approver		UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have "cleared" the SESP prior to submittal to the PAC.
PAC Chair		UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

Checklist Potential Social and Environmental **Risks**	
Principles 1: Human Rights	**Answer (Yes/No)**
1. Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
2. Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? [9]	No
3. Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	No
4. Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	No
5. Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	No
6. Is there a risk that rights-holders do not have the capacity to claim their rights?	No
7. Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	No
8. Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	No
Principle 2: Gender Equality and Women's Empowerment	
1. Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	No
2. Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	No
3. Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	No
4. Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? *For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being*	No
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below	

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[9] Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and

Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management	
1.1 Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? *For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes*	No
1.2 Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	No
1.3 Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4 Would Project activities pose risks to endangered species?	No
1.5 Would the Project pose a risk of introducing invasive alien species?	No
1.6 Does the Project involve harvesting of natural forests, plantation development, or reforestation?	No
1.7 Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	No
1.8 Does the Project involve significant extraction, diversion or containment of surface or ground water? *For example, construction of dams, reservoirs, river basin developments, groundwater extraction*	No
1.9 Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	No
1.10 Would the Project generate potential adverse transboundary or global environmental concerns?	No
1.11 Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? *For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.*	No
Standard 2: Climate Change Mitigation and Adaptation	
2.1 Will the proposed Project result in significant[10] greenhouse gas emissions or may exacerbate climate change?	No
2.2 Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	No
2.3 Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive	No

[10] In regards to CO_2, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect

	practices)?	
	For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding	
Standard 3: Community Health, Safety and Working Conditions		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	No
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	No
3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	No
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
Standard 4: Cultural Heritage		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No
5.3	Is there a risk that the Project would lead to forced evictions?[11]	No

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[11] Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the

5.4	Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	No
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	No
6.3	Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? _If the answer to the screening question 6.3 is "yes" the potential risk impacts are considered potentially severe and/or critical and the Project would be categorized as either Moderate or High Risk._	No
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	No
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
Standard 7: Pollution Prevention and Resource Efficiency		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	No
7.3	Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs? _For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol_	No
7.4	Will the proposed Project involve the application of pesticides that may have a negative	No

	effect on the environment or human health?	
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No

Description	Category	Probability and Impact	Countermeasures / Management response
Change of priorities and political support towards the decentralization process may undermine or compromise the engagement with the municipalities	Political	P = Low I = High	MSA, UNDP, and Municipality of Bobonaro and Baucau will develop and sign a project document, outlining each project phase, including each party's responsibilities. Continuous outreach and engagement with government counterpart at the local and national level, is key to restate the rationale and benefits of the decentralization process as well as foster local ownership of the project. UNDP will also ensure to promote a multi-level and multi-stakeholder platform in which the civil servants and other local actors are capacitated to deliver public services, regardless any potential political change.
Change of political leadership at the municipal level due to municipal elections	Political Institutiona l	P = High I = Low	MSA and UNDP will agree with both Municipalities to have one dedicated senior staff from the Municipalities to work full-time on the project's implementation. The selection process for the dedicated staff member to work on the project but also other officials that will be subjected to continuous trainings will be rigorous, ensuring project's continuity beyond project's timespan.
Delays related to budget allocation and disbursement due to public financial management system and procedures	Political Institutiona l Financial	P= Medium I= Medium	MSA and UNDP will closely collaborate to identify the appropriate financial modalities to be used for the project's implementation, in line with all rules and regulations.

#	Description	Category	Probability and Impact	Countermeasures / Management response
	Ineffective participatory mechanisms, primarily due to a lack of communication and language barrier	Project Social	P= Medium I= Medium	UNDP will recruit one municipal facilitator for each municipality proficient in Tetum, Portuguese and English. In the case where the presence of other languages or dialects is high, UNDP will make sure to identify key community leaders or municipal civil servants able to facilitate the translation and participation of this segment of society. In addition, the municipal facilitator will ensure that all the local actors, including marginalized communities, etc., are all represented in the working group and other workshops to be held in the framework of this project.
	Inadequate response to resource mobilization for upscaling the pilot projects to be implemented	Partners	P= Medium I= Low	UNDP will increase the advocacy among donors and other actors in support of bilateral agreements to upscale the pilot projects