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PROJECT DOCUMENT

Republic of Palau

Project Title: Palau Local Governance Strengthening Project

Project Award Number: 00096488

Implementing Partner: United Nations Development Programme (Direct Implementation)

Start Date: September 2016 **End Date:** October 2019 **PAC Meeting date:** September 2016

Brief Description

The Palau Local Governance Strengthening Project is expected to provide support to the Government of Palau in strengthening governance capacities at local state government levels and national capacity within the Ministry of State's Bureau of Domestic Affairs in delivering services and maintaining relationships with State Government administrations (executive, legislative). The project will be providing technical expertise and undertake specialised training activities, produce and deliver relevant tools and guidance documents (such as standard operating procedures) to enable smooth operations around state finance, local governance, administration and human resource management. Hence, one of the key elements of the project is delivering targeted training workshops for state governments (executives, legislative and administrative staff) on public financial management, audit laws and around state and national law enforcement. Additionally, the project will also support harmonization of national and state laws through strengthening legislative and record management capacities at both state and national government levels.

The Project will be based within the Bureau of Domestic Affairs under the Ministry of State (and initially implemented in 4 local States, with the option of being rolled out if resources are made available). It will be directly implemented by UNDP and has an implementation timeframe of 3 years.

Contributing Outcome (UNDAF): Outcome 5: Regional, national, local and traditional governance systems are strengthened and exercise the principles of good governance, respecting and upholding human rights, especially women's rights, in line with international standards
Indicative Output(s): **Output 1:** Four States (Executive and Legislative branches) have enhanced capacities to plan and manage public resources to deliver basic services to their constituencies **Output 2:** The Ministry of State (Bureau of Domestic Affairs) has enhanced capacities to support State governments and facilitates relations and operations between central administrations, the Senate, the House of Delegates and State governments. **Output 3:** Local residents from 4 States, including youth and women, have increased understanding of central and local governments' roles and responsibilities and participate more actively in local decision-making and oversight.

Total resources required:	USD\$800,000	
Total resources allocated:	UNDP TRAC:	100,000USD
	Government:	450,000USD
	Donor:	
	In-Kind:	
Unfunded:	\$250,000	

Government	UNDP (Direct Implementation)
Print Name: <i>Billy K. Kuartei</i> Minister of State, Government of Palau Date: <i>9/28/16</i>	Print Name: <i>Bakhodir Burkhanov</i> UNDP Resident Representative Date: 29 September 2016

I. DEVELOPMENT CHALLENGE

Situation Analysis and Overview of Local Governance in Palau

The Government of Palau strongly recognizes the challenges and the need to strengthen capacities at local State Government level, especially since the government recognised the importance of Agenda 2030 and the need to localize the SDGs, in a phased approach with central government agencies remaining at the core of planning, budgeting, implementation and monitoring of service delivery. In early 2016, Palau Government requested technical assistance from UNDP to conduct a local governance needs assessment. UNDP conducted an assessment mission in February 2016 to gauge the current local government systems, capacity and needs to form a basis for local governance programming. The assessment outlined a number of challenges at local level and the current substantive fiscal policy, human resource and financial capacity gap at local government level to effectively progress towards sustainable development at local levels.

The (Modern) Local Governance system in Palau is in its initial stage and remains rooted in traditional governance and decision making systems, values and beliefs. The traditional system has allowed the Palauan society to maintain a good level of social cohesion and solidarity amongst local clans, while also being used to mitigate conflicts, manage land, preserve natural resources and when necessary redistribute growth/resources between the local population. Adoption of the Palau Constitution allowed modern local governance systems to take shape (with a certain degree of success) in the 16 States. This involved establishing local governance units that could perform administrative and legislative tasks, enhance citizens' voice and participation in local decision making and strengthen linkages with central administrations (which in Palau are responsible for delivering services, mainly education and health). While each of the 16 States has its own Constitution, the current sub-national governance system consists of an elected legislative branch that forms the local council and an executive branch led by an elected Governor (2 female Governors out of 16). Although a matriarchal society, the gender gap remains important in the Palau administration due to limited number of elected women² in the congress and state governments and requires special attention, particularly at the local State level. The local Councils (Legislatures) consist of approx. 10-20 elected members, with in some cases, traditional chiefs having permanent seats with some legislative authority and as elected legislature members. Other states maintain a council of traditional chiefs with full advisory role. Legislatures' mandates are defined by State Constitutions and are often guided by traditional procedures and customary laws which result in councils operating with a mix of *de-jure* and *de-facto* functions, ranging from preparing bills, adopting local acts, managing natural resources and local public lands (that are not under a clan jurisdiction), mitigating local disputes, reviewing local development plans and voting on annual budgets.

Local Governance Challenges and Opportunities

Legal and Policy framework challenges

Policy limitation at both national and subnational levels:

There are weak or to some extent non-existent policy frameworks guiding the relationship and clear demarcation of roles and responsibilities between National Government and State Governments. This does provide sometimes an ambiguous situation at the State Government level whereby the State Governments' and Administrations with limited budgets as well as human resource capacities heavily are relying on the National Government to provide the majority of the government services to the citizens. However, it is important to note, there is no clear cut policy that guides which services. Weak policy frameworks mostly at State Government level and also non-uniform State policies across the States also create challenges in law enforcement and compliance with national laws as well. At times, State level policies also conflict with national level policies. State Governments also lack adequate human and other associated resources to implement State level policies. There is a strong need to review State policies in compliance with

² <http://www.pacwip.org/future-elections/palau/>

current laws and modern aspects as there are some policies within some States that are considered obsolete. In terms of consolidation of National and State level policies, this has been done in a very limited manner and there is no one record that could be referred to determine policy frameworks within each State or Government line ministry to determine either enforcement progress or concurrence with current or national level policy frameworks.

Lack of inter-agency coordination:

There is a noted lack of coordination between national Government Ministries and Bureaus for their approach to the States. At times there is duplication in the required information for instance from States to national Government Bureaus and vice-versa and also State Governments are at times not clear which Government line Ministry leads which process. One such example was retrieved when States were requested by the Bureau of Domestic Affairs to ensure copies of all State legislation are filed with the Bureau as currently there is no national or subnational consolidated database of all laws. One of the States that was consulted indicated that such work is already happening and the State is filing the laws with the Attorney General's Office.

Fiscal Transfers and Local revenues

Limited local revenue bases:

One of the key challenges faced by States other than Koror, is limited sources of revenue from local State sources that is available for State development or taxation revenue to support local State Government Administrations implement their state development plans effectively. From the National budget, medium size States receives approximatively USD 300,000-500,000/year and spend 60-80% of their allocations to cover wages and office operations. Other local revenues, include local taxes and tariffs for administrative services, business registrations, motor license plates and revenues generated from tourist activities. While there are some States already starting to convert historical sites into touristic sites to maximize economic activity at State level and attracting foreign investment for hotel projects, this is happening at a very slow pace and on a very small scale.

Weak financial management capacity, accountability (audit law implementation) and transparency (including lack of systems) in place:

At the State Government level there are very weak systems of financial management. For instance, all States have been over the years using manual systems for managing their financial transactions and there has not been a uniform system that has been used. Weak manual systems also trigger financial accountability and transparency issues. While there is gradual change to financial accounting systems such as QuickBooks, not all the States are on par with this and require training on appropriate use of the system as well as need for knowledge to be passed across the board to the legislators as well. During the project formulation mission, it was noted that States need uniform systems, including the Bureau of Domestic Affairs to ensure that trainings could be organized in a systematic manner and there could be room for south-south learning experience created among States which are performing well on their financial reporting aspects to States that are lagging behind.

Weak budgeting practice:

In the current practice, State (annual) budgets are prepared by the Governor's office based on a simple expenditures and revenues forecast and submitted to the Legislators for review and adoption. Besides Koror and a few other States, most administrations only have one dedicated finance person, with basic accounting skills, who is in charge of the budget preparation. In some cases, State budgets were not aligned with the national Chart of account and do not follow a systematic codification process from one fiscal year to the other. During project formulation it was noted that some of the reasons behind the low level of compliance with national budgeting and PFM requirements includes weak capacity, although it is noted that the absence of clear regulations and penalties contributes to the situation.

Human resources challenges at central and state level

Lack of human resource capacity:

At the central level, it is noted that there is very limited capacity within the national Bureau for Domestic Affairs (State Ministry), with only a Director and two staff being responsible for the work and maintaining relationship with the State Governments and coordinating with other central agencies. While more staff are expected to be recruited based on budgetary provisions, it is of concern to note the Bureau's limited ability (short and medium-term) to continuously provide support to the State Governments on their various needs and for providing solutions toward the challenges identified under this section. The project formulation therefore recommended the Bureau to concentrate on key coordination and facilitation functions between central and local administrations until it has adequate human resources and capacities to fully operate and extend its services. As suggested by the State Minister, an alternative solution would be to establish a 'volunteer scheme' to attract young graduates from the Koror Community College. Discussions with JICA, UNDP and ADB also looked at the possibility of recruiting Japanese volunteers (or UNVs) to strengthen staff/Bureau's capacities.

Also at State level, due to limited revenue bases, State Governments are only able to maintain limited number of staff whose key functions are around accounting and budgeting, public works and other logistical or administrative tasks. The structure could also be characterized by political demands and or needs as well. But in general States as designated by the national constitution at a minimum has a head of state, officially titled as a Governor; a legislative arm comprising of legislators and delegates; and a number of staff ranging from a Clerk, Accountant or Finance Officer, Legal Counsel(s), Protected Area Network (PAN) Officer(s), Administrative Officer(s), and other related staff.

As observed in the States during project formulation, staff are recruited/assigned based on a basic selection process that needs to be improved to be more competency-based, competitive and transparent. In most cases, secondary school education is the highest level of education of State employees, of which about 50-60% are women. In terms of areas needing full-time or longer term staff such as legislative review or drafting, these are hired on short-term basis hence creating challenges with adequate filing or record keeping of State level laws for instance.

Continuation issues due to lack of civil service system at state level:

In the absence of a sub-national civil service code and/or State employment regulations, staff TORs, salaries and benefits, varies from one state to the other with, in a few case, individuals working without contracts (although listed under the State payroll). Equally critical, there is no continuation of staff from one State Government to another, though there were one or two cases whereby the State Finance Officer was retained, but this is not guaranteed or fixed across all States. Because there are Staff working without any contractual provisions, there is a high risk they could be terminated any time as per instructions from State Government heads. The LG scoping mission strongly recommended the establishment of a civil service arrangement (or contractual provisions) that will ensure continuation and retention of trained staff members over the years and through changes in State Governments through a State Civil Service Programme. It also provides autonomy and safeguard to State staff to be able to follow policies and procedures appropriately without fear of being politicized and should facilitate promotions based on performances and lateral moves.

Turnover of staff during change of administration:

As mentioned in the section above, staff working at State Governments are usually expected to be employed within the period or term of individual State Governments up to when new Governments come into place. This is due to State Governments having the power to appoint their own new staff under their new administration. This poses numerous challenges ranging from lack of continuation of State business processes; lack of adequate handover of State records from one administration to another; trained personnel from past administration moving into other positions resulting in new Staff under the new administration needing training again; and also to some extent as currently

being faced by the new State Governments the ability to furnish required documents and records for audit process as required under the new law.

Weak understanding of roles and responsibilities and lack of training opportunities available at national and state levels:

During project formulation it was noted that legislators as well as State Governors need specialized induction and refresher trainings around systems and processes at State Government level; on legislative processes; on State level and national laws; and also on their roles and functions as legislators and executives. Further training around financial systems and processes as well as audit procedures was also seen as areas of need for further capacity building for the governors, legislators and State staff. There are also limited training opportunities for relevant fields of work that is available nationally and even more limited availability at State levels. A lot of Palauan's receive formal tertiary education from overseas Universities in United States and Philippines for instance.

Legal affairs and related challenges:

Lack of harmonization, collection and maintenance of laws:

During project formulation it was realised that the Bureau of Domestic Affairs, which is responsible for consolidation of all national and sub-national laws, that currently there is very limited scope and work that has been undertaken in harmonizing State laws with national laws and also there has been very limited work conducted on consolidation of all laws. Consultations with State Governments also revealed the same assertion that over the years, different State Governments have ended up drafting laws around the same subject due to lack of maintenance of laws at State level from one government to another and also no-record of laws of each State within the national law archival.

Lack of law harmonization provides lots of challenges in the law enforcement as well as State government administration on a daily basis which have to some extent resulted in law suits in situations where State laws and national laws are in conflict. While this not very common, with now States indulging increasingly with foreign investors who have to follow both national and State level laws, there is a need to ensure adequate capacity at State level is maintained as well as within national government Bureau of Domestic Affairs to ensure such conflicts and problems are minimized. Furthermore, with the introduction of new laws at national level needs to be reflected locally at State Government level as well and the lack of consolidated or a database of laws provides challenges to this process or in the future.

Weak capacity for drafting of laws at State:

It should be noted that one of the key areas of work identified by State Governments that were consulted during project formulation and the Bureau of Domestic Affairs was the low quality of laws being drafted and lack of capacity at State Government level on ensuring harmonization of State laws with national and other international laws and to ensure laws are updated regularly to be on par with current societal needs.

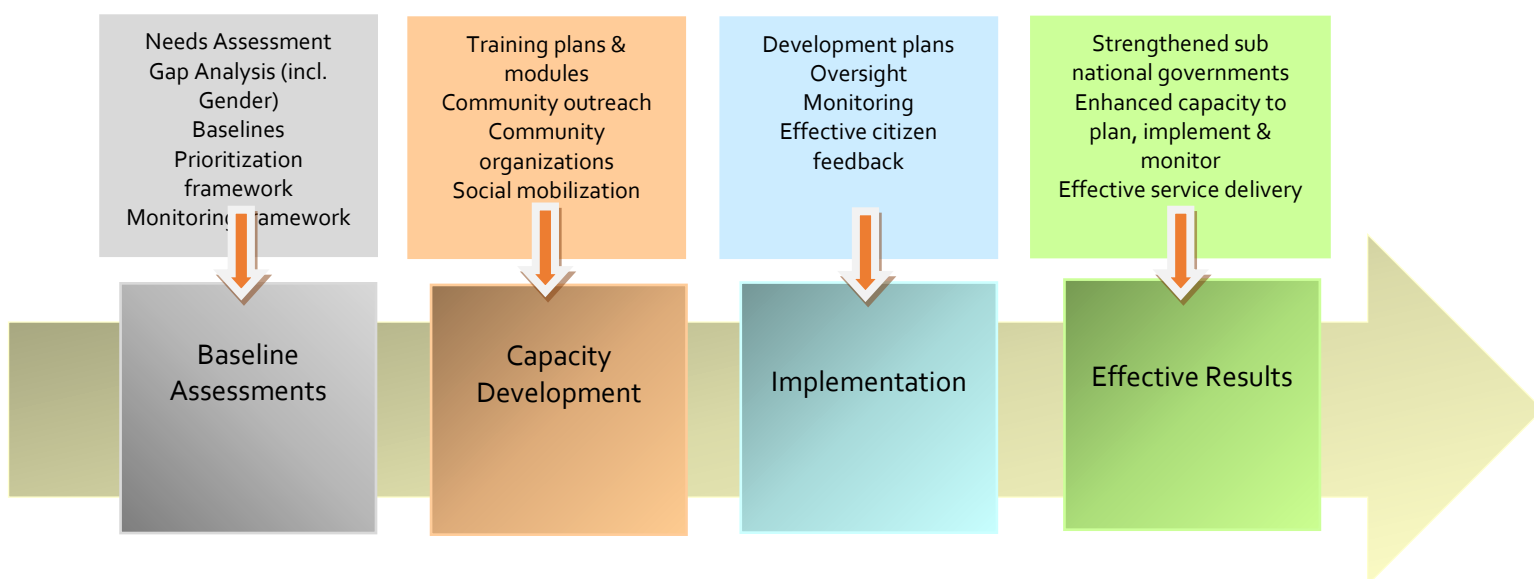
Lack of outreach and limited demand from citizens for downward accountability:

The project formulation consultations revealed that there is very limited demand and outreach work that is being done to keep men and women informed at State level on State development and progress. This provides some gaps in citizen oversight of governments or administrations, which could result in poor performance, mismanagement of public funds as well as lack of prioritization of real needs of citizens. It is imperative from a good governance perspective, particularly effective local governance, to create spaces for citizen-government and vice-versa dialogue to create a culture of citizen oversight over government, ensure needs are prioritized and citizen participation in local development is maximized to ensure results are fast-tracked.

II. STRATEGY

Project's Proposed Strategy

The project seeks to provide assistance to the Government of Palau to improve local governance and service delivery through responsive and accountable governance at the local State level. The project will be implemented in phases; the selection of local states will be made through indicators like population, development lag, lack of development infrastructure, gender gaps, poverty and own source revenue base and other political, economic and social indicators the government will prioritise. The project will clearly focus on capacity development of the respective States, also considering their role in implementing and supporting the 2030 Agenda and the localization of the SDGs. It will involve trainings, manuals and guiding documents, participatory planning, development needs assessment, strengthening citizen voluntary organizations, CSO engagement, participatory budgeting (including women), and inclusive project planning and transparent execution. Technical assistance will be extended also to the Ministry of States (Bureau of States Affairs) as well as to relevant central administrations (incl. MoF, OAG), the House of Delegates and the Senate, in their capacity to interact with local States.



The Project will also benefit from application of UNDP Local Governance Diagnostic tool. The Diagnostic tool developed internally by UNDP aims to support subnational governments to localize the SDGs at provincial and lower level. The tool has been piloted in Pakistan, Indonesia and expected to be piloted in Nepal as well. The tool will be adapted to Palau's context and will inform the Government and the Project on local States' capacities to perform against 'core LG functions' (i.e., participatory planning and budgeting, execution, monitoring, etc). The diagnostic tool includes 3 key surveys. One, to assess the legal and policy environment of local states to deliver services (i.e., what are the devolved functions and fiscal transfers); secondly, to identify strengths and weaknesses of local States to perform core LG functions. The third assessment is a perception survey that will be conducted with local residents and communities to assess local needs and map what citizens expect from their LGs.

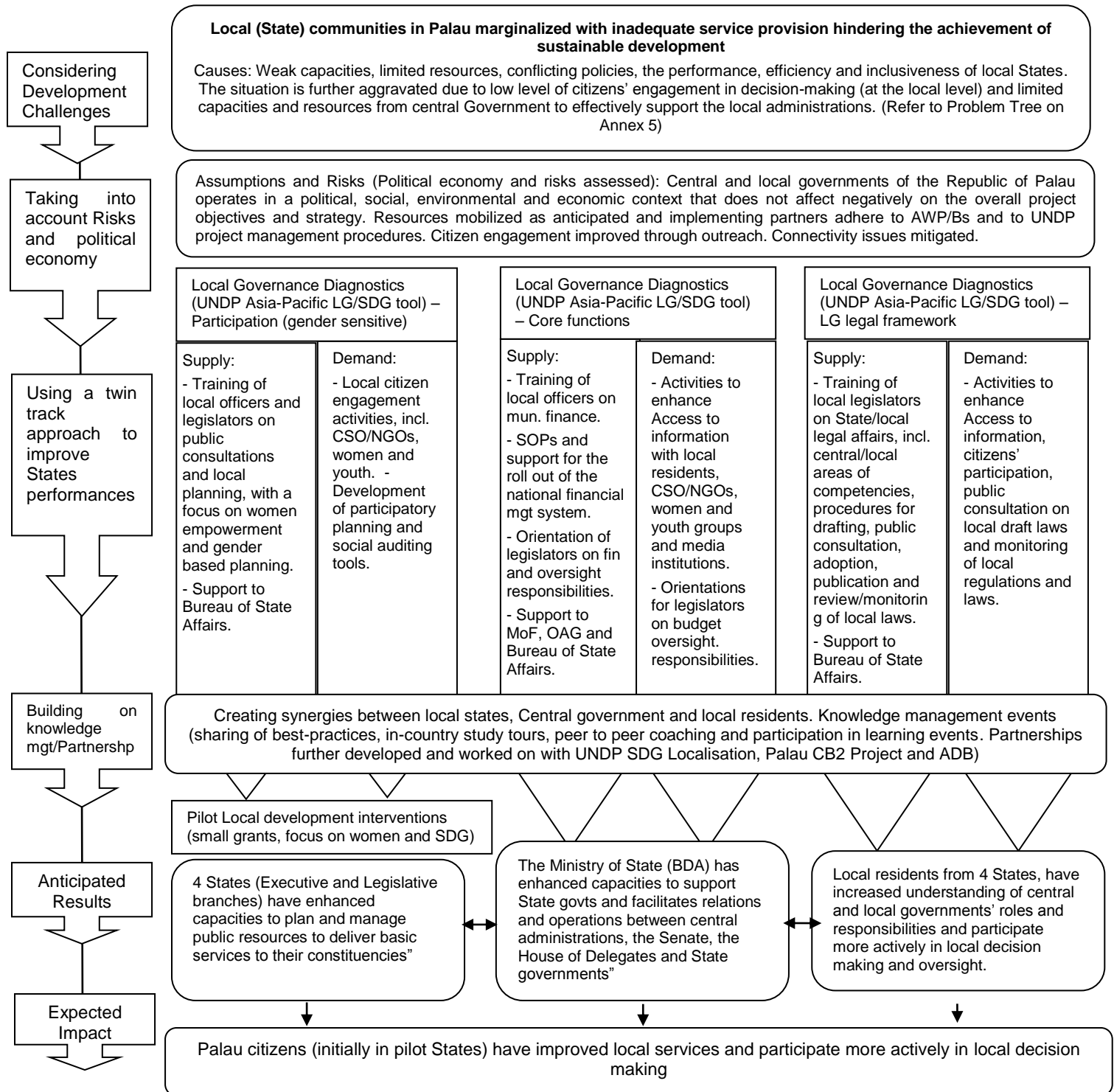
Relationship to UNDP Strategic Plan (emerging areas) UN Development Assistance Framework (UNDAF) 2013-2017

The Project falls directly under the UNDP Strategic Plan 2013-2017 and responds to Outcome 2 Citizen expectations for voice, development, the rule of law and accountability are met by stronger systems of democratic governance. The project responds effectively to the emerging SP areas around social protection by engaging citizens through local governance space and enabling them get access to delivery of adequate services from their elected governments which eventually aims at strengthening their access to greater social, political and economic protection. It corresponds directly to the United Nations Development Assistance Framework (UNDAF) 2014-2017 directly

under focus area 5 on Governance, “Regional, national, local and traditional governance systems are strengthened and exercise the principles of good governance, respecting and upholding human rights, especially women’s rights, in line with international standards.”

Theory of Change

To respond to the development challenge that has been described in the earlier section, the project will apply a theory of change process to define how change will occur through the project based on the assumptions underlying the development challenge. To this end, the project TOC will be based on a twin track approach associating demand interventions with supply activities that will result in improved delivery of services for the Palau citizens through enhancing capacities and performances of local States, particularly in the area of local finance, legal affairs and local governance, as illustrated below:



III. RESULTS AND PARTNERSHIPS

Expected Results

Considering the project's overall goal "Palau citizens (initially in pilot States) have improved local services and participate more actively in local decision making', the following three development results were identified as critical (ref. scoping mission report) to achieve the project's goal and contribute to the Republic of Palau's development policy.

Development result 1 (output 1): "Four States (Executive and Legislative branches) have enhanced capacities to plan and manage public resources to deliver basic services to their constituencies".

To achieve this result, the project will enable strengthening of capabilities of State governors, legislators and staff on their roles, functions and duties around accountability, transparency and good governance through focused training activities on PFM, good governance and through on the job coaching. Additionally, project will assist in improving institutional policy frameworks (incl. regulations), systems and planning capacities through development of procedures and specialized trainings.

Development Result 2: "The Ministry of State (Bureau of Domestic Affairs) has enhanced capacities to support State governments and facilitates relations and operations between central administrations, the Senate, the House of Delegates and State governments" (output 2).

This will be achieved through improving capacities of officers working within the national government's Bureau for Domestic Affairs to support State Governments, including facilitation of better relations between different arms of government. Strategic reviews, development of standard procedures, work plans, guidelines and specialised trainings and coaching for the Bureau's staff will be undertaken to achieve the above result.

Development result 3: Local residents from 4 States, including youth and women, have increased understanding of central and local governments' roles and responsibilities and participate more actively in local decision making and oversight.

To achieve this the project will carry out and organise various activities such as creating a mobile app to increase citizen's understanding and participation on local state governance issues and SDGs and by organising awareness on special issues through various CE materials and knowledge products.

At the inception of the project, a rapid assessment will be undertaking to form a baseline of functions, systems, procedures and capacities of the local States (and the Bureau of Domestic affairs) as institutions of change (with a specific focus on the role of women and youth). The activities will develop a measurable and comparative baseline, which will help in identifying gaps for strengthening local government institutions (with a focus on financial management and legal affairs) by making them responsive to the needs of the citizens. Results from the rapid assessment will inform the capacity development component which will focus on enhancing the skills of the elected representatives and local administrators, incl. coordination, planning, development and budgeting, legal affairs and office management.

In support of the activities developed in the section below and in the RF, the project will support:

- **Baseline assessment of elected representatives** (to be conducted as part of the induction training activities)

A baseline assessment of the elected representatives' functional capacity to plan, implement and monitor development activities and manage public funds.

- **Development of a prioritization framework for local SDG priorities**
Through this activity a framework for prioritization of local development needs/SDGs based on public consultations and empirical methods will be developed. This framework will be integrated in future planning guidelines and used to inform Annual Local State plans and Budgets. Impact analysis on citizens, women, men, youth and other segments of the population through the public consultations will be mapped effectively to inform further planning.
- **Development of a monitoring framework**
Development of a monitoring framework through the use of innovative/user friendly technology which will be integrated with the local State (and/or MoS) performance management system. The tool will allow real-time input from communities to flag service-delivery issues to their local governments. This has had success in Maldives and Papua New Guinea and will be modified to suit Palau's needs.
- **Execution of local State development schemes**
UNDP will provide technical support in formation of monitoring committees in a few selected village/communities comprising of village council and community organization representatives (with when possible women and youth in key leading roles). The monitoring committees will be entrusted with the responsibility to ensure each development scheme is efficiently and effectively carried out.

Resources Required to Achieve the Expected Results

- In terms of the required project resources, they can be categorised into technical, financial and institutional. The financial resources have been indicated in the project cover page of this project document and associated funding indications from the various sources have been mentioned. These resources will be used to further procure the required technical resources such as mapped out the Multi-Year Workplan of the Project to strengthen capacities of the State Governments, Bureau of Domestic Affairs and enable greater participation and engagement with citizens.
- Resources in terms of staff time, at technical, strategic and operational level from the Bureau of Domestic Affairs, Bureaus for Budget and Finance, State Governments and UNDP will also be required to achieve the expected outputs and outcomes of this Project. These are embedded within the Project activities and will be defined in finer details during project implementation phase on a needs arising basis.
- Additionally, resources in partnerships, feedbacks and advisory support through various non-governmental organisations, faith-based groups, women's leaders' and traditional leaders will also be sought as key resources in ensuring that project results are adequately distributed and sustainable practices inculcated in various segments and institutions of Palau society.

Partnerships

- The Project is expected to utilise, strengthen and at the same time build new partnerships with a range of stakeholders which are not limited to the Government of Palau's various line ministries, particularly the Bureau for Domestic Affairs and the various State Governments, Ministry of Finance; Office of the Public Auditor; development partners for both funding, technical expertise and oversight on the Project; civil society organisations (to be identified during implementation through an NGO mapping exercise during project inception); women groups; traditional chiefs; and with individuals based on needs and during the implementation phase of the project.
- Furthermore, close collaboration with other UNDP projects and programmes such as the SDGs Localisation Project and Palau CB2 (Climate Change and Biodiversity) Project as well as with other UN agencies will be ensured during project implementation to ensure effective engagement of all key actors in the local governance field of work and also to enable joint activities where possible to ensure greater economies of scale. In particular, links with CB2 will be important noting that most of the State Governments are now effectively engaging in environmental conservation management work to progress and expand on the lucrative

tourism industry. Lessons learnt from the Palau CB2 and the SDG Localisation Project will be used to inform the implementation and identify practical solutions in the areas of data and information collection and management at local state government levels. The Project in working with the UNDP SDGs project will look at options on how States will be trained to align state level plans with national master development plans and also how State Governments can contribute through integrating SDGs (targets and objectives) in sub-national plans for achievement of the global goals. Additionally, links will be made with the UN Pacific Regional Anti-Corruption (UNPRAC) Project to ensure that work in the area of transparency and accountability is integrated at local state levels through lessons learnt at national-level around anti-corruption.

- Special partnership will be further developed with the Asian Development Bank (ADB). This is to progress the initial discussion that took place in February during the initial scoping mission. ADB is currently working in Palau with an indicative TA for the period 2016-2018 for around USD\$500,000 and another additional TA project worth USD\$200,000 toward public administration reforms to strengthen the public sector management in Palau and the Northern Pacific.

Risks and Assumptions

- Refer to the full risk log, which is attached as an annex.

Stakeholder Engagement

- The key stakeholders for the Project are the Bureau for Domestic Affairs (key target) and the State Governments of four identified States (key targets). The Ministry of Finance will also be a key stakeholder in providing the necessary technical background and financial policy imperatives in strengthening State governments financial procedures and implementation processes for public financial management. The other stakeholders such as the civil servants, CSOs, faith-based organisations such as churches, traditional chiefs and women's groups are also key stakeholders who will be engaged during the implementation phase of the project. The expected strategy for the engagement with respective stakeholders as indicated above will be further refined during the project implementation based on the activities identified within the project multi-year workplan with dedicated terms of reference and concept notes reflecting the expected deliverables, key stakeholders and engagement expectations for each particular activity.

South-South and Triangular Cooperation (SSC/TrC)

- The Project is expected to build south-south cooperation with other Governments in the Asia-Pacific region with similar federal system of government or with similar local governance challenges to create a two-way learning process.
- Additionally, peer-to-peer cooperation with other State Government's in Palau will be progressed such as Koror State Government to provide a more developed administration learning experience for the selected States under the Project.

Knowledge

- There will be a number of knowledge products that are anticipated to be produced under the project and these have been outlined in the multi-year workplan.
- In addition, an important part of the proposed project is the capacity development of the elected States representatives. The project will adopt, to complement traditional training interventions, a coaching model to mentor and train the elected representatives/ local officers specially focusing on youth councillors, women as change agents. The coaching model leads to clearly defined end results through four phases, by first setting a goal, second examining the actual capacity of those who need to be trained, third to generate options that can provide the best solutions to the problem and fourth is on the selection of that option that is converted into a concrete plan of action.

Sustainability and Scaling Up

- The Project activities are expected to be imbedding capacity building initiatives and systems improvement within the Bureau of Domestic Affairs hence providing a higher expected potential of retaining capacity within the national system. This will ensure that capacities over the years within the State Government are effectively supported by capacities sustained within the Ministry of State through the Bureau of Domestic Affairs. The Project also has planned activities whereby facilities such as establishing a civil service system at the local State Government level which is expected to provide a high degree of skills retention and ensuring continuity of work processes from one government to another.
- During the implementation phase of the project, discussions with the Bureau of Domestic Affairs will continue to take place in order to determine possibilities of expanding the project to other states which are in need of assistance. This will be done via direct dialogues with the Bureau of Domestic Affairs and also inclusion and participation of State Governor's and other associated staff from other States in project activities. Resource mobilisation work will continue to progress from programme management perspective and further project scaling up to ensure project is able to scale up its assistance to other states and also being able to implement findings from reviews and other assessments that will be done under this pilot project.

IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

- In order to ensure effective and efficient use of project resources, UNDP Programme and Operations Policies and Procedures (POPP) on most cost effective procurement and recruitment as required under the project activities will be applied. The best value for money approach is expected to be applied in implementing all project activities and to ensure maximum project results.
- In terms of project management and partnerships, in addition to ensuring joint delivery of cross-cutting project activities with other governance projects within UNDP such as under the regional parliament programme and anti-corruption programmes, a portfolio management approach will be applied and direct project management through the UNDP Effective Governance Team to ensure cost effective implementation will be utilised.
- Furthermore, the Project annual work plans are expected to also guide activities and associated budgets under each activity to ensure management of project budgets within the allocated parameters.

Project Management

The Project is expected to be directly implemented by UNDP and technical project personnel based on required areas of assistance under the project activities will be recruited on a needs basis. The Project's Multi-Year work plan provides all details of associated project management expenses to be incurred over the project duration. It's expected that indirect support for implementation through technical assistance from the Bureau of Domestic Affairs, Ministry of Finance Budget and Planning Bureau's and Office of the Attorney General on consolidation of laws will be applied considering the small-scale nature of the Project.

The expected number of staff that are expected to work directly under the project is 1 full-time staff based in Palau as an interconnection between the Bureau of Domestic Affairs and the State Governments and also other project stakeholders. This will be effectively carried out by Local Governance Officer ensuring project activities on the ground in Palau are well communicated and implementation timeframe of project followed. Additionally, Project Management and Project Administration support will be delivered through the UNDP Effective Governance team based in the UNDP Pacific Office based in Suva, Fiji. Associated direct project costing (DPC) that will be incurred by UNDP to provide project management and technical project implementation support is effectively indicated in project Multi-Year Work Plans.

The Project's Multi-Year Work Plan also includes a General Management Support (GMS) charge that covers the costs for UNDP that are not directly attributable to specific projects or services, but are necessary to fund the corporate structures, management and oversight costs of UNDP as per global UNDP practices. The GMS is applied to all projects funded by either member governments at 3% for projects implemented directly in those member countries and at 8% for contributions from other Development Partners for all projects that are implemented by UNDP around the world.

V. RESULTS FRAMEWORK³

Intended Programme Outcome (Palau UNDAF Country Results Matrix): <i>Outcome 5.1 National institutions and mechanisms uphold the principles of good governance, democratic reforms, human rights, free and fair elections and accountability in accordance with the constitution and international norms.</i>										
Outcome indicators (UNDP Strategic Plan) <i>3.1 Level of public confidence in the delivery of basic services (to be measured through world bank aggregate indicators on voice & accountability; Political Stability and Absence of Violence/Terrorism; and Government Effectiveness</i>										
Outcome Baselines, targets and means of verification: <i>Baseline (2014): Voice & Accountability - 88.7%; Political Stability and Absence of Violence/Terrorism – 88.2%; and Government Effectiveness – 29.3%</i> <i>Target: maintain the World Bank ratings in 2014</i> <i>Means of verification: World Bank Country Data Report for Palau (2016-2018)</i>										
Applicable Output(s) from the UNDP Strategic Plan: <i>Output 3.2: Functions, financing and capacity of sub-national level institutions enabled to deliver improved basic services and respond to priorities voiced by the public</i>										
Project title and Atlas Project Number: Palau Local Governance Strengthening Project: 00096488										
EXPECTED OUTPUTS	OUTPUT INDICATORS ⁴	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)					DATA COLLECTION METHODS & RISKS
			Value	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	FINAL	
Output 1: 4 States (Executive and Legislative branches) have enhanced capacities to plan and manage public resources to deliver basic services to their constituencies	Extent to which the level of capacity of sub-national governments/administrations for planning, budgeting and monitoring basic services delivery is improved (IRRF	Post capacity building and training workshops reports. Monitoring missions BTORs and field reports.	Competency rating (Qualitative Indicator)	0	2	3	3	4	4	Project Team through field missions, Technical experts through training activities

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 relevant.

	<p>indicator 3.2.2)</p> <p>To be assessed on the following rating scale (0 to 4 scale).</p> <p>0 = UNDP is not supporting this function; 1 = No capacity; 2 = very partial capacity; 3= partial capacity; 4= capacity largely in place</p>									
<p>Output 2: The Ministry of State (Bureau of Domestic Affairs) has enhanced capacities to support State governments and facilitates relations and operations between central administrations, the Senate, the House of Delegates and State governments.</p>	<p>Percentage of recommendations (through reviews and studies undertaken) incorporated into state government plans (aiming to increase capacity of the Bureau of State to provide better services and engage more effectively with State Governments and other national government ministries).</p>	<p>Review Reports; Technical study reports.</p>	%	0	75%	75%	75%	75%	75%	<p>National and International Expert teams, Project Team.</p>
<p>Output 3: Local residents from 4 States, including youth and women, have increased understanding of central and local governments' roles and responsibilities and participate more actively in local decision making</p>	<p>3.1(a) Proportion of population (disaggregated by gender) reached within the 4 supported States</p> <p>3.1(b) Percentage of</p>	<p>Training & workshop reports; Perception Study</p>	Percentage, Percentage	0	0	20%	50%	75%	75%	<p>National and International Expert teams, Project Team.</p>

and oversight.	targeted population of (75%) reporting increased engagement and knowledge on State Government roles, functions and local laws.					50%	75%	75%	75%	
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VI. MONITORING AND EVALUATION

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

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.	Project Results will be monitored jointly by Government implementing partner, that is, Bureau of Domestic Affairs	As identified in Project Multi-Year Workplan.
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	UNDP Project Management Team and Project Board	As identified in Project Multi-Year Workplan.
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.	UNDP Project Management Team and Project Board	As identified in Project Multi-Year Workplan.
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify	Annually	Areas of strength and weakness will be reviewed by project	UNDP Integrated	As identified

	project strengths and weaknesses and to inform management decision making to improve the project.		management and used to inform decisions to improve project performance.	Results Management Team and Project Board	in Project Multi-Year Workplan.
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	Project Management, Project Board and Government Implementing Partner.	As identified in Project Multi-Year Workplan.
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)	Project Reports to be reviewed at the Project Board and any project issues associated with lack of progress in implementing project activities, financial and human resources and other factors will be discussed and appropriate course of action to deal with such issues will be decided.	Project Management, Project Board and Government Implementing Partner.	As identified in Project Multi-Year Workplan.
Project Review (Project Board)	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 hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	At least once annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	Project Management, Project Board and Government Implementing Partner.	As identified in Project Multi-Year Workplan.
Social and Environmental Screening	To ensure project addresses issues around social and environmental factors which emanate from project activities	Once after first year of Project Implementation and annually thereafter	Any risks identified will be looked at by the Project Board to ensure its addressed adequately	Project Board and Government Implementing Partner.	No cost.

Evaluation Plan⁵

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Final Project Evaluation	UNDP	SP Output 2.1	Outcome 5: Regional, national, local and traditional governance systems are strengthened and exercise the principles of good governance, respecting and upholding human rights, especially women's rights, in line with international standards.	October 2019	Ministry of State; Bureau of Domestic Affairs; State Governments; Citizens; CSOs; Private Sector Organisations in Palau	As identified in Project Multi-Year Workplan

⁵ Optional, if needed

VII. MULTI-YEAR WORK PLAN ⁶⁷

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Responsible Party	PLANNED BUDGET			Planned Budget by Year			
			Funding Source	Budget Description	Amount	Y1	Y2	Y3	
Output 1: 4 States (Executive and Legislative branches) have enhanced capacities to plan and manage public resources to deliver basic services to their constituencies	Activity Result 1.1: Strengthening capabilities of State governors, legislators and staff on their roles, functions and duties around accountability, transparency and good governance through focused training activities on PFM, good governance and through on the job coaching								
	1. Organize induction trainings (2-3 days) for newly elected Governors and Legislators (which provides a baseline assessment) on their roles and responsibilities, the importance of good governance for the SDGs and the need for transparency and downward accountability mechanisms.	UNDP	TRAC	71200-UNDP BRH Support (DPC) / International Consultants 71600- Travels 75700- Workshop and Mtg Expenses (incl. National consultants)	14,000 7,000 10,000	14,000 7,000 10,000			
	2. Organise an annual one-day Conference for State Governors and State Legislators to meet and advocate for common concerns with Senate and House of Delegates members.	UNDP	TRAC	75700- Workshop	24,000	8,000	8,000	8,000	
	3. Conduct orientation of Governors' office staff on their roles and functions and knowledge sharing between other state government staff.	UNDP	TRAC	75700- Workshops	10,000	10,000			
	4. Conduct specialised trainings for finance and administration staff in State Governments on public financial management principles, municipal finance, procurement and on national accounting software.	UNDP	TRAC	75700- Workshops	9,000		9,000		
	5. Produce knowledge materials in the form of State Factsheets and information pamphlets/brochures for each supported State	UNDP	TRAC	74200- Printing, Production costs	21,000	8,000	8,000	5,000	
			Sub-total Activity 1.1			95,000	57,000	25,000	13,000
	Activity Result 1.2: Improving institutional policy frameworks (incl. regulations), systems and planning capacities through development of procedures and specialized trainings								

⁶ Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

⁷ Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Responsible Party	PLANNED BUDGET			Planned Budget by Year		
			Funding Source	Budget Description	Amount	Y1	Y2	Y3
	1. Develop user friendly SOPs, guidelines and forms to help standardize and enhance the quality (including the public consultation process) of State Annual Plans and Budgets and track progress and challenges.	UNDP	TRAC	71300- Local Consultants 75700- Workshop/ Training	Covered under activity 1.2.4			
	2. Conduct Local Governance diagnostics to map strengths and gaps of local States (Decentralization/local governance policies and State core functions) – incl. a gender analysis.	UNDP		71200-UNDP BRH Support (DPC) / International Consultants 71600- Travels 75700- Workshops (incl national consultants)	10,000 4,000 10,000		10,000 4,000 10,000	
	3. Design additional planning guidelines to encourage local governments mainstream local economic development initiatives, environmental conservation, natural resource management in annual (and rolling) development plans. Including Grants of max. \$20,000 per state (total of \$60,000 for LED grants)	UNDP	TRAC	Grants	60,000		60,000	
	4. Develop user friendly SOPs, including conducting trainings on SOPs, guidelines and forms for the organization and day-to-day operations of State administrations (Executive and Legislative branches).	UNDP	TRAC	75700- Workshops	10,000		10,000	
	5. Conduct orientation for State Legislators and clerks on State powers and regulations related to the drafting and adoption of State regulations and by-laws, including ad-hoc trainings on new national Acts and policies that directly impact and/or require States' support for execution.	UNDP	Cost Sharing	71200- International Consultants 75700- Workshops	10,000 Covered in 1.2.2	10,000 Covered in 1.2.2		
	6. Organize annual sharing and horizontal learning events, such as peer-to-peer coaching, best-practice and public forums, etc	UNDP	Cost Sharing	75700- Workshops/ Conferences	10,000		5,000	5,000

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Responsible Party	PLANNED BUDGET			Planned Budget by Year		
			Funding Source	Budget Description	Amount	Y1	Y2	Y3
	7. Project Management Costs ⁸	UNDP	Cost Sharing	DPC	55,400	17,800	17,900	21,700
	8. Local Governance Strengthening Officer (G6-Palau national) – USD\$37,000	UNDP	Cost Sharing	60000- Staff Salaries	37,000	12,400	12,300	12,300
				Sub-total Activity 1.2	206,400	40,200	129,200	37,000
				Sub-Total for Output 1	301,400	97,200	154,200	50,000
Output 2: The Ministry of State (Bureau of Domestic Affairs) has enhanced capacities to support State governments and facilitates relations and operations between central administrations, the Senate, the House of Delegates and State governments.	Activity Result 2.1: Capacities strengthened at national government to support State Government, including facilitation of better relations between different arms of Government.							
	1. Undertake inception workshop and validation exercise to commence project implementation (to include an NGO/partner mapping exercise).	UNDP	TRAC	Covered in Act 1.1.1	Covered in Act 1.1.1	Covered in Act 1.1.1		
	2. Undertake strategic review of the Bureau's mandate and capacities (incl. a brief gender analysis), including recommendations for enhancing the Bureau's mandate/strategic plan, its resources, organogram and the staff ToRs (This activity should take into account budget limitations and HR capacities and the need for the Bureau to have realistic plans and resources that can gradually expand).	UNDP	TRAC	71200- International Consultants	10,000	10,000		
	3. Design the Bureau's Annual Work-plan/s, including integrating new activities that will contribute to achieving the expected outcomes of the LG Project.	UNDP	TRAC	71200- International Consultants	10,000	10,000		
	4. Undertake review and provide recommendations to enhance the Bureau's capacity to systematically collect and archive State Laws and the mechanisms by which National Bills and Acts are steadily and timely circulated to all States.	UNDP	Cost Sharing	71200- International Consultant (Legal Expert) 75700- Training	10,000 5,000		10,000 5,000	
	5. Develop SOPs, guidelines and forms to enhance the Bureau's operations and performance.	UNDP	Cost Sharing	No cost - internal	10,000		10,000	
	6. Undertake training and provide on-the-job coaching to Bureau staff members, based on individual ToR, staff performance reviews and TNAs.	UNDP	Cost Sharing	71300-Local Consultant 75700- Training	15,000 10,000	15,000 10,000		

⁸ Includes fraction of salary for direct Project Manager (UNDP) USD\$27,800 per year; fraction of Project Associate (UNDP) USD\$11,600 per year; Operational Costs (Finance & Procurement) USD\$3,700 per year; Common Services Charges USD\$2,600 per year; M&E, Communication and Programme Finance USD\$8,000 per year; and Audit Cost once in the final year USD\$5,400.

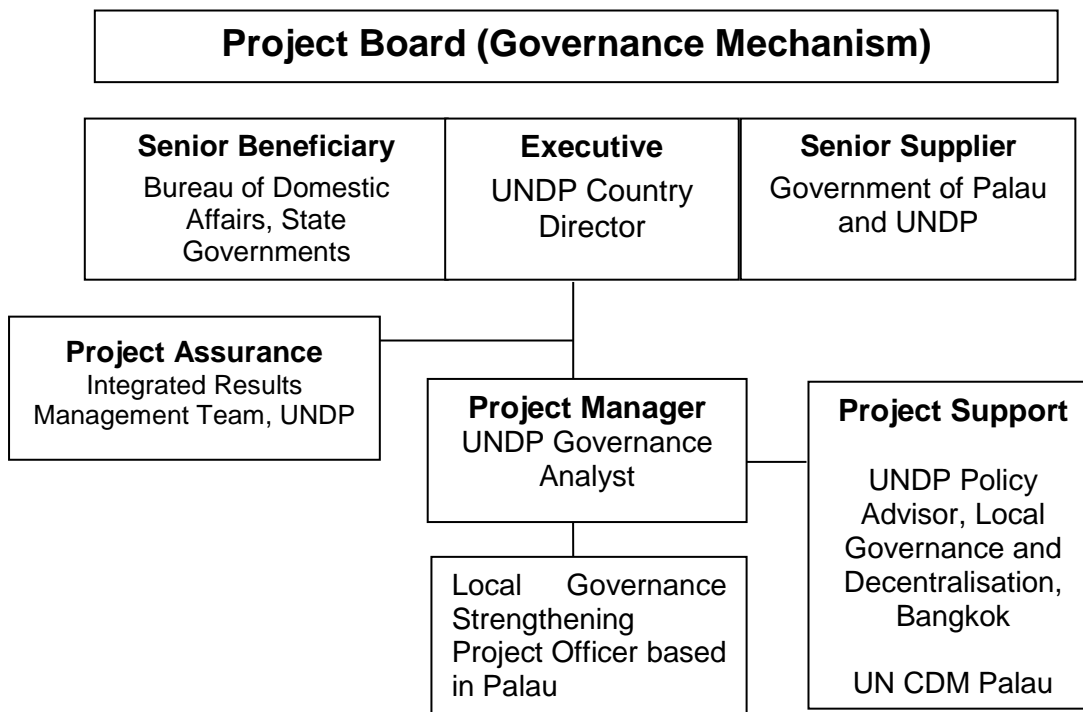
EXPECTED OUTPUTS	PLANNED ACTIVITIES	Responsible Party	PLANNED BUDGET			Planned Budget by Year		
			Funding Source	Budget Description	Amount	Y1	Y2	Y3
	7. Support MoF and AGO provide financial management trainings and to develop SOPs and guidelines for local governments.	UNDP	Cost Sharing	75700- Training 71300-Local Consultant	20,000 5,000		10,000 5,000	10,000
	8. Conduct a feasibility study and draft preliminary recommendations for strengthening local governance in Palau through opportunities to establish a sub-national civil service cadre that would include Governors' office staff that are responsible for financial management, and other administrative functions such, HR, procurement, planning and public works, etc.	UNDP	Cost Sharing	UNDP BRH Support (DPC) / International Consultants	16,000			16,000
				71600- Travels	6,000			6,000
				75700- Workshops (incl. national consultant)	10,000			10,000
	9. Project Management Costs ⁸	UNDP	Cost Sharing	DPC	55,400	17,800	17,900	21,700
10. Local Governance Strengthening Officer (G6-Palau national) – USD\$37,000	UNDP	Cost Sharing	60000- Staff Salaries	37,000	12,400	12,300	12,300	
Sub-Total for Output 2					219,400	75,200	70,200	74,000
Output 3: Local residents from 4 States, including youth and women, have increased understanding of central and local governments' roles and responsibilities and participate more actively in local decision making and oversight.	Activity 3.1: Increase understanding of citizens on roles and responsibilities of central and local governments and participate in local decision making and oversight							
	1. Create mobile app systems to (using mobile technology and social media) for citizen awareness raising and public participation on local governance and SDGs.	UNDP	Cost Sharing	74200-Audio visual	30,000	20,000	5,000	5,000
	2. Establish online tracking tool to monitor app usage and perform data analysis for future review.	UNDP	Cost Sharing	Cost covered above				
	3. Conduct awareness raising campaigns on the 'right to access to information'; interventions to support local organizations composed of/representing minority groups.	UNDP	Cost Sharing	75700 – Workshop	20,000		10,000	10,000
	4. Organize public events to stimulate public participation in local governance.	UNDP	Cost Sharing	75700- Workshops	30,000	10,000	10,000	10,000
	5. Conduct induction trainings for Parliamentarians (and their staff) to better engage with their constituents.	UNDP	Cost Sharing	71200- International Consultants	10,000			10,000
75700- Conference				15,000			15,000	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Responsible Party	PLANNED BUDGET			Planned Budget by Year		
			Funding Source	Budget Description	Amount	Y1	Y2	Y3
	6. Undertake feasibility or perception study for a Civic education programme to create a 'shift in people behaviours' considering a large portion of the population is not used to voice their needs and concerns.	UNDP	Cost Sharing	71200- international consultants	12,000		12,000	
	7. Produce CE knowledge materials to increase citizen awareness in 4 states	UNDP	Cost Sharing	71300-Local Consultants	10,000		5,000	5,000
				72400-Printing	20,000		10,000	10,000
	11. Project Management Costs ⁸	UNDP	Cost Sharing	DPC	55,400	17,800	17,900	21,700
	12. Local Governance Strengthening Officer (G6-Palau national) – USD\$37,000	UNDP	Cost Sharing	60000- Staff Salaries	37,000	12,400	12,300	12,300
	Sub-Total for Output 3				239,400	60,200	82,200	97,000
	Sub-Total All Outputs				760,200	232,600	306,600	221,000
Project Evaluation	Lessons learnt and project evaluation completed			71200 – International Consultant	16,500			16,500
Total Project Costs					776,700	232,600	306,600	237,500
General Management Support	Government GCS GMS- 3%				23,300	7,000	9,200	7,100
TOTAL					\$800,000	239,600	315,800	244,600

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The governance aspects of the project is expected to be managed through a Project Board which will convene at least once yearly or as decided later by the Board. The Project Board is the group responsible for making by consensus, management decisions for a project when guidance is required by the Project Manager, including recommendation for approval of project plans and revisions. In order to ensure accountability, Project Board decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition. In case a consensus cannot be reached within the Board, final decision shall rest with UNDP. In addition, the Project Board plays a critical role in UNDP commissioned project evaluations by quality assuring the evaluation process and products, and using evaluations for performance improvement, accountability and learning. The Terms of Reference for the Project Board is annexed. The Project Board structure is provided in the diagram below.

On a day-to-day basis, the Project Manager based within UNDP has the authority to run the project on behalf of UNDP within the constraints laid down by the Board and in accordance with the UNDP Programme and Operations Policies and Procedures. The Project Manager is responsible for day-to-day management and decision-making for the project. The Project Manager's prime responsibility is to ensure that the project produces the results (outputs) specified in the project document to the required standard of quality and within the specified constraints of time and cost. UNDP appoints the Project Manager, who is different from the UNDP representative on the Project Board. Programme backstopping and quality assurance will be provided by the UNDP Regional Programme Advisor on local governance and decentralization, based in Bangkok and the Governance Analyst based in the UNDP Pacific Office.



IX. LEGAL CONTEXT AND RISK MANAGEMENT

LEGAL CONTEXT STANDARD CLAUSES

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of the Republic of Palau and UNDP, signed on 18 July, 2008. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

RISK MANAGEMENT STANDARD CLAUSES

1. UNDP as the Implementing Partner shall comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP agrees to undertake all reasonable efforts to ensure that none of the [project funds]⁹ [UNDP funds received pursuant to the Project Document]¹⁰ 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. Consistent with UNDP’s Programme and Operations Policies and Procedures, 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. The Implementing Partner shall: (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.

⁹ To be used where UNDP is the Implementing Partner

¹⁰ To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

X. ANNEXES

- 1. Project Quality Assurance Report**
- 2. Social and Environmental Screening Template**
- 3. Risk Analysis**
- 4. Project Board Terms of Reference**
- 5. Problem and Solutions Tree**

Annex 2: SESP

ANNEX [#]. SOCIAL AND ENVIRONMENTAL SCREENING TEMPLATE

The completed template, which constitutes the Social and Environmental Screening Report, must be included as an annex to the Project Document. Please refer to the [Social and Environmental Screening Procedure](#) and [Toolkit](#) for guidance on how to answer the 6 questions.

Project Information

Project Information	
1. Project Title	Palau Local Governance Strengthening Project
2. Project Number	00096488
3. Location (Global/Region/Country)	Republic of Palau

Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?

Briefly describe in the space below how the Project mainstreams the human-rights based approach

Under output 3, the Project is expected to ensure that local residents or citizens have increased understanding of central and local governments roles and responsibilities and engage more actively and effectively in local decision making and oversight. This will allow citizens to know and understand their rights as citizens of Palau and also their rights within the State or local level. Citizens will be given opportunities to discuss with their local governments on inequalities in services and rights that they are not getting access to through forums and discussion spaces under the project activities.

Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment

Gender is effectively mainstreamed and will be integral to the delivery of most of the project activities if not all given the nature and scope of the activities. Additionally the project will be carrying out direct gender based analysis under two project activities, Activity 1.2.2 while undertaking a local governance diagnostics to map strengths and gaps of local states and under Activity 2.1.2 which is undertaking a strategic review of the Bureau's mandate and capacities (incl. a brief gender analysis), including recommendations for enhancing the Bureau's mandate/strategic plan, its resources, organogram and the staff ToRs.

Briefly describe in the space below how the Project mainstreams environmental sustainability

The Project will be working with the State Government's to also promote eco-tourism friendly initiatives through State grants and this is a more or less mainstreaming environmentally friendly way of undertaking business at the local state level. Further on, the trainings around the State executives, legislators and administration staff will inculcate environmental concerns, including looking at strengthening of laws at local state level which will be inclusive of environmental protection laws at the local levels.

Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks? <i>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.</i>	QUESTION 3: What is the level of significance of the potential social and environmental risks? <i>Note: Respond to Questions 4 and 5 below before proceeding to Question 6</i>			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.
Risk 1: No Risks Identified	I = P =			
Risk 2 No Risks Identified	I = P =			
Risk 3: No Risks Identified	I = P =			
Risk 4: No Risks Identified	I = P =			

QUESTION 4: What is the overall Project risk categorization?		
Select one (see SESP for guidance)		Comments
<i>Low Risk</i>	<input checked="" type="checkbox"/>	The Project offers almost minimal to no risk around environmental and social issues considering the project will be focusing on strengthening institutional capacities of local state legislators/governors and staff including national government staff around good governance, accountability and promoting effective service delivery.
<i>Moderate Risk</i>	<input type="checkbox"/>	
<i>High Risk</i>	<input type="checkbox"/>	
QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?		
Check all that apply		Comments
<i>Principle 1: Human Rights</i>	<input type="checkbox"/>	
<i>Principle 2: Gender Equality and Women's Empowerment</i>	<input type="checkbox"/>	
<i>1. Biodiversity Conservation and Natural Resource Management</i>	<input type="checkbox"/>	
<i>2. Climate Change Mitigation and Adaptation</i>	<input type="checkbox"/>	
<i>3. Community Health, Safety and Working Conditions</i>	<input type="checkbox"/>	
<i>4. Cultural Heritage</i>	<input type="checkbox"/>	
<i>5. Displacement and Resettlement</i>	<input type="checkbox"/>	
<i>6. Indigenous Peoples</i>	<input type="checkbox"/>	
<i>7. Pollution Prevention and Resource Efficiency</i>	<input type="checkbox"/>	

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.

SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks		Answer (Yes/No)
Principles 1: Human Rights		
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? ¹¹	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? <i>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</i>	No
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below		
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?	No

¹¹ 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 other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

	<i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	
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? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	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? <i>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.</i>	No
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant ¹² 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 practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	No
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

¹² In regards to CO₂, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]

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? ¹³	No
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)? <i>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.</i>	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	No

¹³ 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 ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

	them?	
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? <i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i>	No
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No

ANNEX 3: RISK LOG



OFFLINE RISK LOG

(see [Deliverable Description](#) for the Risk Log regarding its purpose and use)

Project Title: Palau Local Governance Strengthening Project	Award ID: 00096488	Date: 10 September 2016
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#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Insufficient technical and human resource capacity within Bureau of Domestic Affairs to implement project activities	September 2016	Organizational	<p>The Bureau of Domestic Affairs is the key implementing agency and therefore staff within the Bureau will provide direct and indirect support in the implementation of the project activities. Bureau is already understaffed.</p> <p>Enter probability on a scale from 1 (low) to 5 (high) P = 2</p> <p>Enter impact on a scale from 1 (low) to 5 (high) I = 3</p>	The project has adequately identified the need to have an additional person outside the Bureau of Domestic Affairs as Local Governance Strengthening Project Officer to be based in Palau to manage and support the day-to-day project activities. Additionally, project management and project administration will also be directly managed by UNDP to ensure no additional burden is put on the Bureau of Domestic Affairs during project implementation as well.	Project Manager at UNDP Director for Bureau of Domestic Affairs	UNDP Project Manager, Mohammed Mozeem	14 Sep. 16	No change
2	Project budget is not fully resource mobilised through government and	September 2016	Financial Operational	Approximately 70% of the total project budget has been mobilised to date. 30% of the	UNDP is continuing resource mobilisation efforts to ensure full project funds are sourced for implementation. Discussions with	Project Manager at UNDP and Director for	UNDP Project Manager, Mohammed	14 Sep. 16	No change

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
	UNDP funding due to changing priorities			remaining project budget needs to mobilised to ensure full implementation of the project is not affected. P = 2 I = 3	ADB and also with other partners such as Government of Japan has already been progressing well and with Project implementation kick-starting in October further discussions on potential future funding from these two partners will be discussed in concrete terms.	Bureau of Domestic Affairs	Mozeem		
3	Political instability due to bi-elections at State levels affect project implementation due to change in State executives and administration staff	September 2016	Political	Whilst it is highly unlikely that State Government's will face political instability at this stage as all pilot states have recently gone through elections, there is a limited possibility of political instability due to bi-elections resulting from resignations or other natural causes P= 1 I = 2	Whilst this is a very low probability and low risk, Project will still try to ensure it does not impact on project activities by maintaining effective records of progress made with last State administrations and that proper archiving and specialised trainings can be facilitated for any unexpected change in State politics or administration staff. Additionally, the project is also proposing a sub-national level civil service system to counter the risk of records from one government to another due to changes in staff.	Project Manager at UNDP	UNDP Project Manager, Mohammed Mozeem Director for Bureau of Domestic Affairs	14 Sep. 16	No change
4	Low level of participation from citizens due to lack of interest in state governance	September 2016	Social	One foreseeable risk is that citizens at State level do not effectively get engaged in project activities such as awareness raising on rights, state functions and other aspects. P=1 I=2	This is a low risk under the project but specific mitigation measures such as creating special spaces for citizens to engage with State Governors will be created under the Project. Project also will carry a CE perception study to ensure a full CE initiative is well informed for future citizen engagement	Project Manager at UNDP	UNDP Project Manager, Mohammed Mozeem Director for Bureau of Domestic Affairs	20 Sep. 16	No change

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
					activities.				
5	Poor connectivity impacts implementation of some project components such as mobile applications	September 2016	Technological	The 3 pilot states selected under the Project are located within the main islands with access to mobile technology but with low levels of access P=2 I=2	Project will work with telecommunications companies to ensure this is gauged effectively and also focus on target audiences to enable maximum outreach under the project.	Project Manager at UNDP	UNDP Project Manager, Mohammed Mozeem Director for Bureau of Domestic Affairs	20 Sep. 16	No change

ANNEX 4: PROJECT BOARD – TERMS OF REFERENCE

Overall responsibilities

The Project Board is the group responsible for making by consensus management decisions for a project when guidance is required by the Project Manager, including recommendation for UNDP/Implementing Partner approval of project plans and revisions. In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance to standards that shall ensure best value to money, fairness, integrity transparency and effective international competition. In case a consensus cannot be reached, final decision shall rest with the UNDP Programme Manager. Project reviews by this group are made at designated decision points during the running of a project, or as necessary when raised by the Project Manager. This group is consulted by the Project Manager for decisions when PM tolerances (normally in terms of time and budget) have been exceeded.

Based on the approved annual work plan (AWP), the Project Board may review and approve project quarterly plans when required and authorizes any major deviation from these agreed quarterly plans. It is the authority that signs off the completion of each quarterly plan as well as authorizes the start of the next quarterly plan. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and external bodies. In addition, it approves the appointment and responsibilities of the Project Manager and any delegation of its Project Assurance responsibilities.

Composition and organization: This group contains three roles, including:

- 1) An Executive: individual representing the project ownership to chair the group.
- 2) Senior Supplier: individual or group representing the interests of the parties concerned which provide funding and/or technical expertise to the project. The Senior Supplier's primary function within the Board is to provide guidance regarding the technical feasibility of the project.
- 3) Senior Beneficiary: individual or group of individuals representing the interests of those who will ultimately benefit from the project. The Senior Beneficiary's primary function within the Board is to ensure the realization of project results from the perspective of project beneficiaries.

Specific responsibilities:

Initiating a project

- Agree on Project Manager's responsibilities, as well as the responsibilities of the other members of the Project Management team;
- Delegate any Project Assurance function as appropriate;
- Review the Progress Report for the Initiation Stage (if an Initiation Plan was required);
- Review and appraise detailed Project Plan and AWP, including Atlas reports covering activity definition, quality criteria, issue log, updated risk log and the monitoring and communication plan.

Running a project

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the Project Manager;
- Provide guidance and agree on possible countermeasures/management actions to address specific risks;
- Agree on Project Manager's tolerances in the Annual Work Plan and quarterly plans when required;
- Conduct regular meetings to review the Project Quarterly Progress Report and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans.
- Review Combined Delivery Reports (CDR) prior to certification by the Implementing Partner;
- Appraise the Project Annual Review Report, make recommendations for the next AWP, and inform the Outcome Board about the results of the review.
- Review and approve end project report, make recommendations for follow-on actions;
- Provide ad-hoc direction and advice for exception situations when project manager's tolerances are exceeded;
- Assess and decide on project changes through revisions;

Closing a project

- Assure that all Project deliverables have been produced satisfactorily;
- Review and approve the Final Project Review Report, including Lessons-learned;
- Make recommendations for follow-on actions to be submitted to the Outcome Board;
- Commission project evaluation (only when required by partnership agreement)
- Notify operational completion of the project to the Outcome Board.

Executive

The Executive is ultimately responsible for the project, supported by the Senior Beneficiary and Senior Supplier. The Executive's role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher level outcomes. The Executive has to ensure that the project gives value for money, ensuring a cost-conscious approach to the project, balancing the demands of beneficiary and supplier.

Specific Responsibilities (as part of the above responsibilities for the Project Board)

- Ensure that there is a coherent project organisation structure and logical set of plans
- Set tolerances in the AWP and other plans as required for the Project Manager
- Monitor and control the progress of the project at a strategic level
- Ensure that risks are being tracked and mitigated as effectively as possible
- Brief Outcome Board and relevant stakeholders about project progress
- Organise and chair Project Board meetings

The Executive is responsible for overall assurance of the project as described below. If the project warrants it, the Executive may delegate some responsibility for the project assurance functions.

Senior Beneficiary

The Senior Beneficiary is responsible for validating the needs and for monitoring that the solution will meet those needs within the constraints of the project. The role represents the interests of all those who will benefit from the project, or those for whom the deliverables resulting from activities will achieve specific output targets. The Senior Beneficiary role monitors progress against targets and quality criteria. This role may require more than one person to cover all the beneficiary interests. For the sake of effectiveness, the role should not be split between too many people.

Specific Responsibilities (as part of the above responsibilities for the Project Board)

- Ensure the expected output(s) and related activities of the project are well defined
- Make sure that progress towards the outputs required by the beneficiaries remains consistent from the beneficiary perspective
- Promote and maintain focus on the expected project output(s)
- Prioritise and contribute beneficiaries' opinions on Project Board decisions on whether to implement recommendations on proposed changes
- Resolve priority conflicts

The assurance responsibilities of the Senior Beneficiary are to check that:

- Specification of the Beneficiary's needs is accurate, complete and unambiguous
- Implementation of activities at all stages is monitored to ensure that they will meet the beneficiary's needs and are progressing towards that target
- Impact of potential changes is evaluated from the beneficiary point of view
- Risks to the beneficiaries are frequently monitored
- Where the project's size, complexity or importance warrants it, the Senior Beneficiary may delegate the responsibility and authority for some of the assurance responsibilities (see also the section below)

Senior Supplier

The Senior Supplier represents the interests of the parties which provide funding and/or technical expertise to the project (designing, developing, facilitating, procuring, implementing). The Senior Supplier's primary function within the Board is to provide guidance regarding the technical feasibility of the project. The Senior Supplier role must have the authority to commit or acquire supplier resources required. If necessary, more than one person may be required for this role. Typically, the implementing partner, UNDP and/or donor(s) would be represented under this role.

Specific Responsibilities (as part of the above responsibilities for the Project Board)

- Make sure that progress towards the outputs remains consistent from the supplier perspective
- Promote and maintain focus on the expected project output(s) from the point of view of supplier management
- Ensure that the supplier resources required for the project are made available
- Contribute supplier opinions on Project Board decisions on whether to implement recommendations on proposed changes
- Arbitrate on, and ensure resolution of, any supplier priority or resource conflicts

- The supplier assurance role responsibilities are to:
- Advise on the selection of strategy, design and methods to carry out project activities
- Ensure that any standards defined for the project are met and used to good effect
- Monitor potential changes and their impact on the quality of deliverables from a supplier perspective
- Monitor any risks in the implementation aspects of the project

If warranted, some of this assurance responsibility may be delegated (see also the section below).

Project Assurance

Overall responsibility: Project Assurance is the responsibility of each Project Board member, however the role can be delegated. The Project Assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed.

Project Assurance has to be independent of the Project Manager; therefore the Project Board cannot delegate any of its assurance responsibilities to the Project Manager. A UNDP Programme Officer typically holds the Project Assurance role.

The implementation of the assurance responsibilities needs to answer the question “What is to be assured?”. The following list includes the key suggested aspects that need to be checked by the Project Assurance throughout the project as part of ensuring that it remains relevant, follows the approved plans and continues to meet the planned targets with quality.

- Maintenance of thorough liaison throughout the project between the members of the Project Board.
- Beneficiary needs and expectations are being met or managed
- Risks are being controlled
- Adherence to the Project Justification (Business Case)
- Projects fit with the overall Country Programme
- The right people are being involved
- An acceptable solution is being developed
- The project remains viable
- The scope of the project is not “creeping upwards” unnoticed
- Internal and external communications are working
- Applicable UNDP rules and regulations are being observed
- Any legislative constraints are being observed
- Adherence to RMG monitoring and reporting requirements and standards
- Quality management procedures are properly followed
- Project Board’s decisions are followed and revisions are managed in line with the required procedures

Specific responsibilities would include:

Initiating a project

- Ensure that project outputs definitions and activity definition including description and quality criteria have been properly recorded in the Atlas Project Management module to facilitate monitoring and reporting;
- Ensure that people concerned are fully informed about the project
- Ensure that all preparatory activities, including training for project staff, logistic supports are timely carried out

Running a project

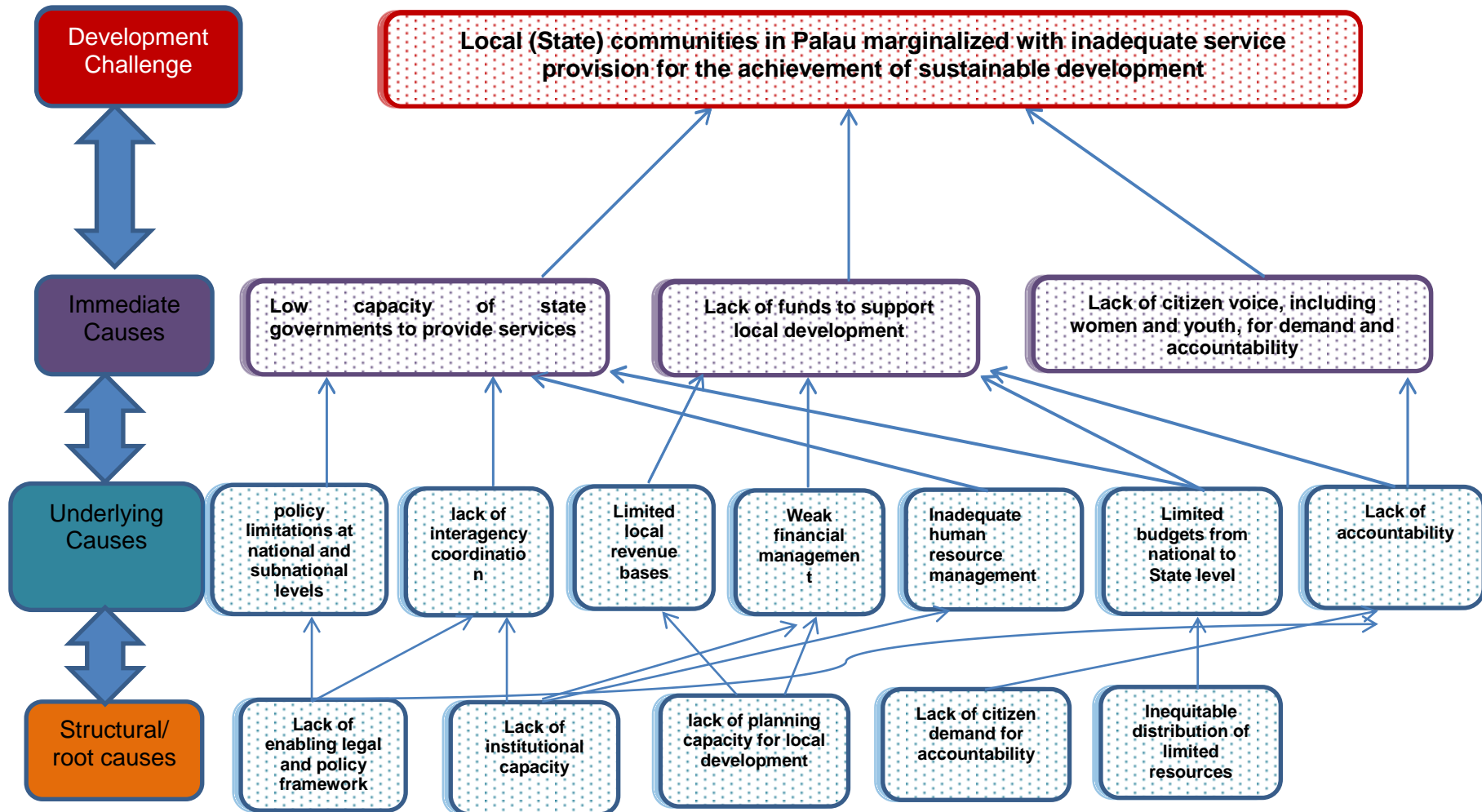
- Ensure that funds are made available to the project;
- Ensure that risks and issues are properly managed, and that the logs in Atlas are regularly updated;
- Ensure that critical project information is monitored and updated in Atlas, using the Activity Quality log in particular;
- Ensure that Project Quarterly Progress Reports are prepared and submitted on time, and according to standards in terms of format and content quality;
- Ensure that CDRs and FACE are prepared and submitted to the Project Board and Outcome Board;
- Perform oversight activities, such as periodic monitoring visits and “spot checks”.
- Ensure that the Project Data Quality Dashboard remains “green”

Closing a project

- Ensure that the project is operationally closed in Atlas;
- Ensure that all financial transactions are in Atlas based on final accounting of expenditures;
- Ensure that project accounts are closed and status set in Atlas accordingly.

Annex 5:

Problem Tree Supporting the Theory of Change



Problem Solution Tree

Solution Pathway

Assumptions:

1. Training and capacity building will lead to
 - a) Harmonisation between the national and sub-national governments resulting in improved service delivery by at the state level
 - b) States better prepared to manage funds in a strategic and accountable way
2. Outreach and civic education programmes will be well accepted and understood by citizens and will lead to increased demand for inclusiveness and accountability

