

**GRANT AGREEMENT**  
(Micro-Capital Grant Agreement)  
For Non-Credit Related  
Activities

**MICRO-CAPITAL GRANT AGREEMENT BETWEEN THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP) AND BOUGAINVILLE HOUSE OF REPRESENTATIVES (BHOR) FOR THE PROVISION OF GRANT FUNDS**

Micro-Capital Agreement (hereinafter referred to as the "Agreement") made between the Implementing Partner [UNITED NATIONS DEVELOPMENT PROGRAMME - UNDP] and the Recipient Institution [BOUGAINVILLE HOUSE OF REPRESENTATIVES - BHOR].

WHEREAS [UNDP] (hereinafter referred to as "the Implementing Partner") under the project (i) 00099012 – Knowledge Building and Understanding on BPA and (ii) 00099013 – Security and Social Cohesion in Bougainville, to which UNDP has been selected as implementing partner. (hereinafter referred to as "the Project"), implemented at the request of the Government of Papua New Guinea and Autonomous Bougainville Government in [Papua New Guinea]

WHEREAS the Implementing Partner **UNDP** desire to provide funding to the **BOUGAINVILLE HOUSE OF REPRESENTATIVES** in the context of a Project and on the terms and conditions hereinafter set forth, and

WHEREAS the **BOUGAINVILLE HOUSE OF REPRESENTATIVES** is ready and willing to accept such funds from the Implementing Partner **UNDP** through the administration of UNDP for the above mentioned activities on the said terms and conditions.

NOW, therefore, the parties hereto agree as follows:

**I. Responsibilities of the RECIPIENT INSTITUTION**

1.1 The **BOUGAINVILLE HOUSE OF REPRESENTATIVES** agrees to: 1) Undertake the activities described in its **Workplan and Budget** (attached), and updates related to the subsequent release of funds in **one Tranche**; 2) Provide reports to the Country Office through the PBF Coordinator; and 3) Submit a financial report as per the due date specified in attachment 3: Schedule of Activities, Facilities and Payments table. Funds provided pursuant to this Agreement shall be used for purposes related to producing results specified in its expected Outputs and Indicators including targets [Attachment 3B].

1.2 The **BOUGAINVILLE HOUSE OF REPRESENTATIVES** agrees to reach the performance targets contained in Attachment 3B. If it fails to meet its responsibilities outlined in article 1.1, or to attain at least specified % of any one performance target for any given period, then this will be considered grounds for the Steering Committee to suspend any further micro-capital grant support. The suspension shall remain in effect until the **BOUGAINVILLE HOUSE OF REPRESENTATIVES** has achieved the target. In projects with a technical assistance contractor, the contractor may, at its discretion,

continue to provide technical assistance to the **BOUGAINVILLE HOUSE OF REPRESENTATIVES** during this suspension period.

1.3 **BOUGAINVILLE HOUSE OF REPRESENTATIVES** agrees to inform the Steering Committee about any problems it may face in attaining the objectives agreed upon.

## II. Duration

2.1 This Agreement will come into effect on **15<sup>th</sup> March 2018** and shall expire on **13 April 2018**, covering the anticipated term of the project. It can be extended, if necessary by exchange of letters, noting the new expiration date.

## III. Payments

1.1 UNDP shall provide funds to the **BOUGAINVILLE HOUSE OF REPRESENTATIVES** in an amount up to **(PGK353,100.00) USD\$111,037.74 (One Hundred and eleven Thousand thirty seven Dollars and seventy four cents)** according to the schedule of the project budget set out below.

Tranche Number	Amount (USD)	Tentative Date	Comments
Tranche 1	<b>USD\$111,037.74 (PGK353,100.00)</b>	15 March 2018	Upon signing of the Grant Agreement

Payments are subject to the **BOUGAINVILLE HOUSE OF REPRESENTATIVES** meeting the outputs as specified in the Performance Targets [Section C].

**USD\$111,037.74 (PGK353,100.00)** will be disbursed upon signing of this Agreement.

3.2 All payments shall be deposited into the **RECIPIENT INSTITUTION's** bank account of which the details are as follows:

[NAME OF THE BANK]	<b>Bank of South Pacific</b>
[BANK ROUTING NUMBER]	<b>BOSPPGPM</b>
[BENEFICIARY ACCOUNT NAME]	<b>Bougainville Referendum Communication Committee (BRCC) Trust Account</b>
[BENEFICIARY ACCOUNT NUMBER]	<b>7010785371</b>
[ADDRESS OF THE BANK]	

3.3 The amount of payment of such funds is not subject to any adjustment or revision because of price or currency fluctuations or the actual costs incurred by the **BOUGAINVILLE HOUSE OF REPRESENTATIVES** in the performance of the activities under this Agreement.

**IV. Records, Information and Reports**

- 4.1 The **BOUGAINVILLE HOUSE OF REPRESENTATIVES** shall maintain clear, accurate and complete records in respect of the funds received under this Agreement.
- 4.2 The **BOUGAINVILLE HOUSE OF REPRESENTATIVES** shall furnish, compile and make available at all times to UNDP any records or information, oral or written, which UNDP may reasonably request in respect of the funds received by the **Bougainville House of Representatives**.
- 4.3 Within sixty days after completion of project activities, **BOUGAINVILLE HOUSE OF REPRESENTATIVES** shall provide UNDP with a final report with respect to all expenditures made from such funds (including travel, allowances, travel and supplies) and indicating the progress made toward the goals of the activities undertaken, utilizing the reporting format contained in Attachments 5 and 6
- 4.4 All further correspondence regarding the implementation of this Agreement should be addressed to:

For the **BOUGAINVILLE HOUSE OF REPRESENTATIVES**

**MR. SIMON PENTANU**  
**SPEAKER**  
**BOUGAINVILLE HOUSE OF REPRESENTATIVE S**  
**BUKA, AUTONOMOUS REGION OF BOUGAINVILLE**

For UNDP:

**MS. TRACY VIENINGS**  
**DEPUTY RESIDENT REPRESENTATIVE**  
**UNDP - PAPUA NEW GUINEA**

**V. General Provisions**

5.1 This Agreement and the Attachments attached hereto shall form the entire Agreement between [UNDP] and **Bougainville House of Representatives** superseding the contents of any other negotiations and/or agreements, whether oral or in writing, pertaining to the subject of this Agreement.

5.2 The **BOUGAINVILLE HOUSE OF REPRESENTATIVES** shall carry out all activities described in its Workplan with due diligence and efficiency. Subject to the

5.7 This Agreement may be terminated by either party before completion of the Agreement by giving thirty (30) days written notice to the other party, and the **BOUGAINVILLE HOUSE OF REPRESENTATIVES** shall promptly return any unutilized funds to UNDP as per paragraph 5.6 above.

5.8 The **BOUGAINVILLE HOUSE OF REPRESENTATIVES** acknowledges that UNDP and its representatives have made no actual or implied promise of funding except for the amounts specified by this particular tranches Agreement. Although project related documents may indicate a total amount of funds that could be available for **Bougainville House of Representatives**, actual disbursements will be based upon the **BOUGAINVILLE HOUSE OF REPRESENTATIVES** meeting performance targets. If any of the funds are returned to UNDP or if this Agreement is rescinded, the **BOUGAINVILLE HOUSE OF REPRESENTATIVES** acknowledges that the Implementing Partner and UNDP will have no further obligation to the **BOUGAINVILLE HOUSE OF REPRESENTATIVES** as a result of such return or rescission.

5.9 No modification of or change to this Agreement, waiver of any of its provisions or additional contractual provisions shall be valid or enforceable unless previously approved in writing by the parties to this Agreement or their duly authorized representatives in the form of an amendment to this Agreement duly signed by the parties hereto.

5.10 Any controversy or claim arising out of, or in accordance with this Agreement or any breach thereof, shall unless it is settled by direct negotiation, be settled in accordance with the UNCITRAL Arbitration Rules as at present in force. Where, in the course of such direct negotiation referred to above, the parties wish to seek an amicable settlement of such dispute, controversy or claim by conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules as at present in force.

The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy or claim.

5.11 Nothing in or relating to this Agreement shall be deemed a waiver of any privileges and immunities of the United Nations, or UNDP.

express terms of this Agreement, it is understood that the **BOUGAINVILLE HOUSE OF REPRESENTATIVES** shall have exclusive control over the administration and implementation of the activities referred to above in paragraph 1.1 and that the **UNDP** shall not interfere in the exercise of such control. However, both the qualities of work and the progress being made toward successfully achieving the goals of such activities shall be subject to review by the Steering Committee. If at any time the Steering Committee is not satisfied with the quality of work or the progress being made toward achieving such goals, the Steering Committee may advise **UNDP** to: (i) withhold payment of funds until in its opinion the situation has been corrected; or (ii) declare this Agreement terminated by written notice to the **BOUGAINVILLE HOUSE OF REPRESENTATIVES** as described in paragraph 5.7 below; and/or seek any other remedy as may be necessary. The Steering Committee's determination as to the quality of work being performed and the progress being made toward such goals shall be final and shall be binding and conclusive upon the **BOUGAINVILLE HOUSE OF REPRESENTATIVES** insofar as further payments are concerned.

5.3 **UNDP** undertakes no responsibilities in respect of life, health, accident, travel or any other insurance coverage for any person which may be necessary or desirable for the purpose of this Agreement or for any personnel undertaking activities under this Agreement. Such responsibilities shall be borne by the **Bougainville House of Representatives**.

5.4 The rights and obligations of the **BOUGAINVILLE HOUSE OF REPRESENTATIVES** are limited to the terms and conditions of this Agreement. Accordingly, the **BOUGAINVILLE HOUSE OF REPRESENTATIVES** and personnel performing services on its behalf shall not be entitled to any benefit, payment, compensation or entitlement except as expressly provided in this Agreement.

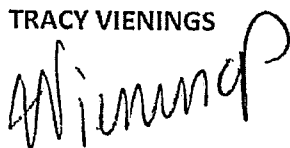
5.5 The **BOUGAINVILLE HOUSE OF REPRESENTATIVES** shall be solely liable for claims by third parties arising from the **BOUGAINVILLE HOUSE OF REPRESENTATIVES** acts or omissions in the course of performing this Agreement and under no circumstances shall The Implementing Partner and **UNDP** be held liable for such claims by third parties.

5.6 Assets ( Equipment) supplied by **UNDP** funds to the **BOUGAINVILLE HOUSE OF REPRESENTATIVES** shall be the property of **UNDP** until the end of the project, at which time **UNDP** shall determine the best use of these assets. In cases where the **BOUGAINVILLE HOUSE OF REPRESENTATIVES** has met its responsibilities under this agreement, and handover of the asset would contribute to the sustainability of activities, **UNDP** would normally handover these assets to the **Bougainville House of Representatives**. The assets shall be used for the purpose indicated in the Workplan throughout the period of this Agreement.

IN WITNESS WHEREOF, the undersigned, duly appointed representatives of the UNDP, and the Bougainville House of Representatives, respectively, have on behalf of the UNDP and the BOUGAINVILLE HOUSE OF REPRESENTATIVES signed the present Memorandum of Agreement on the dates indicated below their respective signatures.

On behalf of Implementing Partner:

Name: TRACY VIENINGS



Title: DEPUTY RESIDENT  
REPRESENTATIVE UNDP-PNG

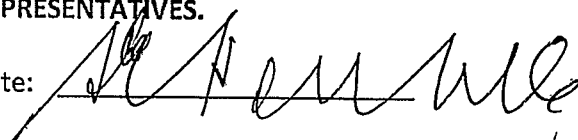
Date: 15 March 2018

On behalf of the RECIPIENT INSTITUTION:

Name: MR. SIMON PENTANU

Title: SPEAKER  
BOUGAINVILLE HOUSE OF  
REPRESENTATIVES.

Date:



15 March 2018

## Attachment 1

### **PBF support to the Bougainville House of Representatives**

#### **BACKGROUND**

The Autonomous Region of Bougainville (ARoB) is an autonomous region within the state of Papua New Guinea (PNG), with its own Government and parliament. It also has representatives at the National Parliament. It counts a population of about 300,000 people. Following nearly a decade of a bloody conflict (from late 1980s) with estimated deaths of up to 20,000 people, the PNG national Government and the Bougainville actors signed the Bougainville Peace Agreement in 2001 (BPA). Social grievances, political in-fighting and disagreements about the use of the revenue from the Panguna copper mine in Central Bougainville and its environmental effects were key triggers of the conflict.

A Peacebuilding Priority Plan as signed in 2014 which enabled support from the UN Peacebuilding Fund (PBF) to three key priorities identified by the PNG Government (GoPNG) and the Autonomous Bougainville Government (ABG)

The Bougainville House of Representatives (BHOR) has a total membership of 41, comprising 39 elected members, the Speaker and the President. The Speaker is appointed by the House from outside its membership. With respect to the remaining 39 House members: for the first general election of members of the House of Representatives, there were:

- 33 directly elected members each representing a single member constituency;
- three women members, each representing a constituency for a separate Region (North, Central and South)
- three former combatant members, each representing a constituency for a separate Region (North, Central and South)

The most recent election to the House of Representatives was in June 2015 where 25 of the MPs elected at this election are new to Parliament. A woman member was the first to be elected in an open seat and holds a Minister in the ABG. Following requests from the Speaker and the Clerk of the BHOR, UNDP has provided funding and technical assistance on a range of parliamentary strengthening activities as well as the implementation of the Bougainville Peace Agreement (BPA) and referendum preparations.

#### **KEY OUTCOMES OF THE PBF**

UNDP's support to the BHOR, ABG and other partners in Bougainville fall under 3 Outcome Areas which have been translated into 3 projects and are intended to be cohesively achieved, consistent with the Peacebuilding Priority Plan.

#### **Outcome 1 - Strengthening partnership and political dialogue between GoPNG and ABG**

The first Outcome area of the Priority Plan that is supported by PBF, targets the strengthening of the relationship and trust between the National Government of Papua New Guinea (GoPNG) and the ABG to contribute to effective implementation of autonomy arrangements and of the BPA. This project addresses 2 broad outcomes statements: -

- (1) The key BPA provisions on autonomy arrangements and on the referendum, are progressed through joint decisions and actions of GoPNG and the ABG.
- (2) The National and the Bougainville Parliaments (BHOR) have a shared understanding of the BPA and the referendum provisions and the effectiveness of the BHOR is strengthened, in line with the 2013 Autonomy Review findings

Support is being provided to both the GoPNG and the ABG through mechanisms such as the Joint Referendum Committee, empowering them to progress key processes within the BPA in a



timely and effective manner. The dialogue and engagement between both Governments is being bolstered drawing on the UN 'trusted broker' role and expertise. The focus is on workable autonomy arrangements, constructive relationships between the Governments, and progress made on referendum preparations. There is also ongoing support to the inter-parliamentary dialogue between to the two governments with a view to a shared understanding of the two parliaments' role in the implementation of the BPA, human rights and other key peace-building issues.

#### **Outcome 2 – Support knowledge-building and understanding of the Bougainville Peace Agreement.**

One of the key factors contributing to potential instability is a lack of accurate, relevant and trusted information sources amongst much of the population; and widespread skepticism and distrust of those in leadership positions. The people of Bougainville have not had access to accurate, easy to use, information or safe places where they are encouraged to express their views, debate and to question and give feedback to the political leadership. The second Outcome of the Priority Plan that is supported by PBF focuses on creating an enabling environment so that the people of Bougainville are empowered to make informed choices at the Bougainville referendum and to have increased confidence in the BPA process through access to more objective and accurate information. It also supports dialogue and debate on key peace-building issues, both within communities and with their political leaders.

#### **Outcome 3 - Promoting community security and social cohesion in Bougainville**

The third Outcome area of the Priority Plan that PBF supports is the strengthening of Community social cohesion and security in Bougainville through opportunities to deal with conflict-related trauma effectively to enable peaceful resolution of local disputes as well as through better access to information to access appropriate post-conflict services or support. Here, the project supports two broad outcome statements: -

- (1) Increased community social cohesion and community security) through access to trauma healing and reconciliation services
- (2) Community police, trauma counselors and health workers dealing with FSV provide more effective and informed services on trauma response and reconciliations.

In addition to the broad categories of support, the project currently includes elements of unification, reconciliation and weapons disposal.

### **RATIONALE AND KEY AREAS OF FOCUS**

Delivery of PBF projects support to the ABG has been through the Direct Implementation Modality (DIM) of UNDP. Based on the strong partnership between the BHOR and UNDP since 2015 and to increase delivery of the planned activities given the timeframe of the projects, the parties have discussed the options to further support the activities of the BHOR in line with the 3 Outcomes areas of the Peacebuilding Priority Plan.

This has prompted the need to assess and identify, from available options, a more effective mode for delivery of support. This best option available that has been identified is a *Grant Agreement (GA)*. While having an effective monitoring mechanism in place, it will allow for better and timely implementation of PBF projects.

It is intended that an GA be signed between the UNDP and the BHOR as part of Project 00099011. The GA will also guarantee a portion of funding from the PBF to be placed in a BRCC Trust Account (Bougainville Referendum Communication Committee (BRCC) Trust Account, Account No.: 7010785371) and managed directly by BHOR, for PBF activities under Project 00099012 supporting referendum and BPA awareness, and Promoting Community Security and Social Cohesion so specifically named in the GA under Project 00099013.

The fund from this GA to be accessed by BHOR. The funding will be accessed, and activities implemented within the terms of the GA and the UNDP 2018 PNG Country Office Annual Work Plan for the No Cost Extension Phase.

The funding that will be made available will be subjected to completed Letter of Requests forms from BHOR. Continuity of the GA will be dependent on the manner in which mandatory milestones of this GA are achieved. While the bulk of PBF projects continue to be supported through DIM, selected activities as outlined below will be addressed through an GA.

The GA will provide support to: -

- a) The Referendum Ready Concept through continued funding for Phase 2 of support to the BHOR Members Constituency Awareness conducted across the region. 21 Members of the BHOR will be supported under this GA. Their constituencies are named as follows:

- 1) Nissan
- 2) Haku
- 3) Tsitalato
- 4) Tonsu
- 5) Peit
- 6) Mahari
- 7) Teua
- 8) Selau
- 9) Rau
- 10) Ioro
- 11) North Nasioi
- 12) Kokoda
- 13) Lule
- 14) Baubake
- 15) Ramu
- 16) Kopii
- 17) Baba
- 18) Lato
- 19) Bolave
- 20) Ex-com Central
- 21) Ex-com North

- b) Women's involvement in referendum ready awareness and BPA Awareness, through support for 3 Women's Unification Conferences in Central and North Bougainville organized by the respective BHOR regional women's representatives.
- c) Provide administrative cost for the implementation of the GA by the Project Management Team

Support under the GA will be from March 15<sup>th</sup> to April 13<sup>th</sup>, 2018 payable based on identified milestones: -

- Submission of Letter of Requests for funding completed with all required supporting documents from Constituency members to the GA Project Management Team. Activities for support will have to be aligned with the Referendum Ready Awareness work plan of BHOR and the PNG PBF 2018 Annual Work Plan of the No Cost Extension)

Funding through the GA will be placed in the "Bougainville Referendum Communications Committee Trust Fund". Signatories to cheques drawn on this account will be: -

- The Speaker of BHOR
- ABG Secretary for Finance and Treasury; and
- A PNG Counterpart in ABG Treasury (Provincial Treasurer)

## **Attachment 2**

### **KEY EXPECTED RESULTS AND DELIVERABLES**

By the time the GA is fully implemented it is envisaged that the portion of the PBF expended through the GA will have been effectively utilized with maximum results. More specifically it is expected that the following results will have been achieved:

**Outcome 2:** Support knowledge-building and understanding of the Bougainville Peace Agreement. (00099012)

**Outcome 2.1:**

- Bougainvilleans have a greater understanding and subsequently increased confidence in the BPA and referendum through support to the activities of the BHOR under the Referendum Ready Concept Phase 2 support to the Constituency Awareness by BHOR Members.

**Output 2.1.1:**

- BHOR Members reach out to their respective constituents on the BPA and referendum

**Outcome 2.2:**

- Bougainvilleans have an improved understanding and subsequently increased confidence in the BPA and preparations for referendum through support on women's awareness on BPA and referendum readiness through the regional women's representatives in the BHOR

**Output 2.2.1:**

- BHOR women's regional representatives' reach out on the BPA and Referendum and the promotion of women unification
- BHOR women's regional representatives conduct follow-up consultations and actions on agreed decisions

**Outcome 2.3:**

Bougainvilleans and the ABG have an improved understanding and subsequently increased confidence in the BPA and preparations for referendum through support to the BHOR regional ex-combatant representatives.

**Output 2.3.1:**

- BHOR regional ex-combatant representatives reach out on the BPA and Referendum and the promotion of women unification

**Outcome 3:** Promoting security and social cohesion in Bougainville (00099013)

**Outcome 3.1:**

Greater security and cohesion among Bougainvilleans is achieved through opportunities to openly engage with their respective constituency Members, Representatives and Constituency Referendum Committees on issues around what the constituents perceive as their leaders' roles and responsibilities, functions of the BHOR, not-to-mention the Bougainville Peace Agreement.

**Output 3.1.1:**

- BHOR Member's region-wide visitation and sensitization on peace in Bougainville by peaceful means
- Learning session by BHOR Parliamentary Committee on SDG in the localization of SDGs learning from the Domil experience

***Outcome 3.2:***

Strengthened BHOR Partnership with the Bougainville population

***Output 3.2.1:***

- The BHOR Members take key parliamentary discussions and decisions to the people of Bougainville to strengthen public confidence in the Parliamentary system

Attachment 3A

Schedule of Activities, Facilities and Payments

Year: 2018

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Milestone Due Date	Budget Description	Amount (PGK)	Schedule of payments by UNDP Date	Due date for submitting report against activity/outcome
EXPECTED OUTPUTS and indicators including annual targets	List all activities to be undertaken during the year towards stated outputs					
People of Bougainville are better informed on the Bougainville Peace Agreement and the Referendum through the BHOR constituency Referendum Ready Phase 2	Tranche 1: BHOR Members outreach to their constituent on the BPA and Referendum – March/April (Tranche monitoring by BHOR GA Project Management Team Members)	13/04/2018	Transport	100,000	15/03/2018	13/04/2018
			Allowances	55,000		
			Accommodation	85,000		
			Printing	10,000		
			<b>Sub Total</b>	<b>250,000</b>		
	Tranche 1: Women's Follow-up and further consultations on actions emanating from outreach symposium visitations and meetings. (Tranche monitoring by BHOR GA Project Management Team Members)	13/04/2018	Transport	20,000	15/03/2018	13/04/2018
			Allowances	20,000		
			Accommodation	20,000		
			Printing/Supplies	10,000		
			Catering	10,000		
<b>Sub Total</b>	<b>80,000</b>					
<b>Total in PGK</b>				<b>330,000</b>		
<b>PMT administrative cost at 7%</b>				<b>23,100</b>		

<b>Grand Total in PGK</b>	353,100
<b>Grand Total in USD</b>	111,037.74

Attachment 3B

Expected Outputs and Indicators including targets

EXPECTED RESULTS	KEY PERFORMANCE INDICATORS (KPI)	TARGETS	PLANNED ACTIVITIES	Milestone Due Date	Due date for submitting report against activity/ outcome
<b>EXPECTED OUTCOMES</b> and indicators including annual targets  People of Bougainville are better informed on the Bougainville Peace Agreement and the Referendum through the BHOR constituency Referendum Ready Phase 2	Percentage of population disaggregated by sex and type who attended outreach sessions in this reporting period AND raised sound issues/questions on the BPA implementation demonstrating clear understanding of the implementation process.	10% of population who attended in this reporting period	List all activities to be undertaken during the year towards stated outputs  BHOR Members outreach to their constituent on the BPA and Referendum – March (Monitoring by BHOR GA Project Management Team Members)	13/04/2018	13/04/2018
<b>OUTPUTS</b>  BHOR Regional Women's Representatives	Number of Data Triangulation and Verification exercises conducted with PEF  Copies of reports signed off by BHOR members for outreaches conducted by them  Number of follow-up consultations reporting action plans from last consultation implemented in this	1  24 reports for this reporting period  Half of the action plans implemented in this reporting	Women's Follow up and further consultations on actions emanating from	13/04/2018	13/04/2018

strengthened to support Bougainville women's participation in BPA and Referendum outreach.	reporting period	period	outreach symposium, visitations and meetings.  (Monitoring by Committee on Gender Peace and Security) (Monitoring by BHOR GA Project Management Team)		
	Number of Data Triangulation and Verification exercises conducted with PBF  Copy of report from BHOR RWR outlining summary of the findings including successes, challenges and recommendations from follow-up activities as reported for KPI BHORRWR1.	2			

Note:

- Expenditures for personnel services may be limited to salary, allowances and other entitlements, including the reimbursement of income taxes due and travel costs on appointment to the project, duty travel within the programme country or region and repatriation costs.
- UNDP shall be responsible for providing miscellaneous services such as secretarial assistance, postage and cable services and transportation as may be required by BHOR in carrying out their assignment.
- Adjustments within each of the sections may be made in consultation between UNDP and BHOR. Such adjustments may be made if they are in keeping with the provisions of the Programme Support/Project Document and if they are found to be in the best interest of the project.



## Implementation of the Bougainville House of Representative Outreach Programme

**Meeting:** Project Steering Committee for the Bougainville House of Representative (BHOR) Outreach Programme  
**Date:** 26<sup>th</sup> February 2018

The project steering committee playing an oversight role to ensure that provisions of the Grant Agreement are adhered to by the Bougainville House of Representative (BHOR), met on the 26<sup>th</sup> February, 2018 with the agenda as follows:

1. Submission and presentation of the Proposal for the BHOR phase 2 outreach programme to UNDP Bougainville.
2. Discussion and agreement of the Funding Modality for this programme with strong recommendation for a robust and less complex implementation modality mindful of the very limited time for the PBF No cost Extension (NCE)

The Committee having reviewed the submission (attached), agreed that;

- a) Since this is a sensitive political activity and would require preparations on the ground, a grant will be awarded to the BHOR under a grant agreement to implement the activity;
- b) As UNDP had previously supported BHOR in its outreach programme through a Trust Account, the same account will be used for the grant that will be awarded to BHOR;
- c) The Honourable Speaker and Clerk of the BHOR consented for the Capacity Assessment to be done on the BHOR.
- d) The risk analysis for the financial component will be linked with the findings of the BHOR earlier implemented Letter of Agreement (LoA) Lessons Learned Exercise (LLE) conducted in February and March 2018, and the management strategies to deal with them will be drawn from the risks identified. This to ensure that due diligence processes are stringently followed. In areas where the overall risk is assessed as high, the Project Manager will consult with UNDP CO and put in place measures such as installments (80/20) to ensure strict adherence to UNDP rules and regulations.

The Committee therefore agreed that a capacity needs assessment would be conducted on the BHOR as soon as possible. As per the work plan and budget, it was agreed that BHOR will be the recipient of the grant.

Below are the specific details of how the funding should be paid to BHOR as per the proposal shared and stipulated in the Grant Agreement:

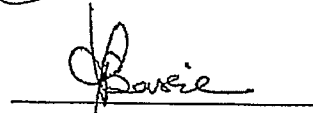
Tranche Number	Amount (USD)	Tentative Date	Comments
Tranche 1	\$111,037.74 (PGK353,100)	15 March 2018	Upon signing of the Grant Agreement



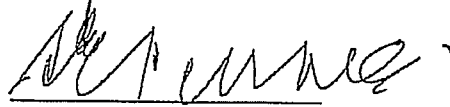
**Ms. Julie Bukikun**  
Assistant Resident Representative -  
Governances

A handwritten signature in black ink, appearing to read 'Julie', written above a horizontal line.

**Mr. Lawrence Bassie**  
PBF Coordinator

A handwritten signature in black ink, appearing to read 'Bassie', written above a horizontal line.

**Mr Simon Pentanu**  
Speaker - Bougainville House of  
Representative

A handwritten signature in black ink, appearing to read 'Simon Pentanu', written above a horizontal line.

United Nations Development Programme

# **Bougainville House of Representatives Capacity Assessment Report**

Dated: 09<sup>th</sup> March 2018

**Background**

The Bougainville House of Representatives (BHOR) has a total membership of 41, comprising 39 elected members, the Speaker and the President. The Speaker is appointed by the House from outside its membership. With respect to the remaining 39 House members: for the first general election of members of the House of Representatives, there were:

- 33 directly elected members each representing a single member constituency;
- three women members, each representing a constituency for a separate Region (North, Central and South)
- three former combatant members, each representing a constituency for a separate Region (North, Central and South)

The most recent election to the House of Representatives was in June 2015 where 25 of the MPs elected at this election are new to Parliament. A woman member was the first to be elected in an open seat and holds a Minister in the ABG. Following requests from the Speaker and the Clerk of the BHOR, UNDP has provided funding and technical assistance on a range of parliamentary strengthening activities as well as the implementation of the Bougainville Peace Agreement (BPA) and referendum preparations.

Moreover A Peacebuilding Priority Plan as signed in 2014 which enabled support from the UN Peacebuilding Fund (PBF) to three key priorities identified by the PNG Government (GoPNG) and the Autonomous Bougainville Government (ABG).

UNDP's support to the BHOR, ABG and other partners in Bougainville fall under 3 Outcome Areas which have been translated into 3 projects and are intended to be cohesively achieved, consistent with the Peacebuilding Priority Plan.

Delivery of PBF projects support to the ABG has been through the Direct Implementation Modality (DIM) of UNDP. Based on the strong partnership between the BHOR and UNDP since 2015 and to increase delivery of the planned activities given the timeframe of the projects, the parties have discussed the option of LOA to further support the activities of the BHOR in line with the 3 Outcomes areas of the Peacebuilding Priority Plan. Thus the need for capacity assessment.

**Implementing Partners Capacity Assessment Checklist**

AREA FOR ASSESSMENT	ASSESSMENT QUESTIONS	REFERENCE DOCUMENTS AND INFORMATION SOURCES
<b>PART I. BACKGROUND INFORMATION</b>		
1. History	<p>The Bougainville Constitution provides that the institutions of the Autonomous Bougainville Government will include a legislature which shall be a mainly elected body, but may also include members appointed or elected to represent special interests, such as women, youth, churches.</p> <p>The powers, functions and procedures of the legislature are specified by or under the arrangements in the Bougainville Peace Agreement and the Bougainville Constitution.</p> <p>The Bougainville Legislature shall comprise and be known as the House of Representatives as established under Section 55 (establishment and composition of the House of Representatives).</p> <p>The Bougainville House of Representatives was Identified as a UNDP partner which qualified to receive funding support under the Bougainville Peace Building Fund</p>	<p>BPA</p> <p>Bougainville Constitution</p>

Capacity Assessment for Project Implementation

AREAS FOR ASSESSMENT	ASSESSMENT QUESTIONS	REFERENCE DOCUMENTS AND INFORMATION SOURCES
	<p>with an objective to strengthen the parliamentary institution and to also empower leaders to effectively exercise their leadership duties and responsibilities.</p> <p>The parliamentary institution strengthening program is a catalyst to good governance and, in our context, enhance parliamentary democracy and accepted standards of practice.</p>	
<p>2. Mandate and constituency</p>	<p>The Bougainville House of Representatives is the Autonomous Region of Bougainville's Legislative arm of government established under Section 55 of the Bougainville Constitution. The Legislature consists of a popularly elected President of the Autonomous Region of Bougainville, 33 directly elected members from 33 Constituencies, 3 women members representing women (North, Central and South Bougainville), 3 former combatant members (North, Central and South Bougainville) and the Speaker.</p> <p>These Members are responsible for the discharge of their legislative and constituency responsibilities. Participation on Parliamentary Committee work is another responsibility performed by the ordinary Members who do not have ministerial portfolios.</p> <p>Legislative responsibilities call on the Members to attend meetings and to participate on parliamentary business of the House of Representatives. Businesses of the House include the enactment of legislation, debate, scrutiny of Government policy and serving in parliamentary Committees. Constituency responsibilities require each Member to visit, provide advice and assistance to constituents and act as advocates of local interests.</p> <p>Parliamentary Services is established under an enabling Act – the Parliamentary Services Act 2009 and serves as an administrative framework for the 41 Members.</p>	<p>BPA Bougainville Constitution Parliamentary Service Act</p>
<p>3. Legal status</p>	<p>Section 55. ESTABLISHMENT AND COMPOSITION OF THE HOUSE OF REPRESENTATIVES of the Constitution of the Autonomous Region of Bougainville gives a legal and constitutional status of the Bougainville House of Representatives.</p> <p>The legislative power of the Autonomous Bougainville is vested in the Bougainville House of Representatives.</p>	<p>BPA Bougainville Constitution Parliamentary Service Act</p>
<p>4. Funding</p>	<p>Funding sources received by the Bougainville House of Representatives comes from the National Government, Autonomous Bougainville Government and donor agencies and factored into the ABG Annual Budget.</p> <p>The National Government Grant caters for Elected Leaders salaries and entitlements approved by the National Salaries and Remuneration Commission. The ABG annual allocation caters for recurrent activities and operational and development grants for Members of the House.</p> <p>UNDP executes its funding support to the BHOR through direct funding under the Bougainville Peace Building Fund.</p>	
<p>5. Certification</p>	<p>The Bougainville House of Representatives is the authority that decides and approves the ABG Budget through the ABG Annual Appropriation Act. The appropriation act is passed by the House before implementation. The funding support to the Bougainville House of Representatives is a result of a joint funding request by both the ABG and the National Government to UN Secretary General in 2012.</p>	<p>Bougainville Constitution</p>

Capacity Assessment for Project Implementation

AREAS FOR ASSESSMENT	ASSESSMENT QUESTIONS	REFERENCE DOCUMENTS AND INFORMATION SOURCES
6. Proscribed organizations	The Parliamentary Service does not fall under this category. It has a direct link with UNDP and UN Women through the approved projects.	PBF Project 1, Outcome 2: Parliamentary Support project UNDP/BHOR Letter of Agreement (June 30 – December 15, 2017)
<b>PART II. PROJECT MANAGEMENT CAPACITY</b>		
2.1 Managerial Capacity		
1. Leadership Commitment	<p>In accordance with the Bougainville Constitution, the Bougainville laws and the Standing Orders, the Speaker is responsible for: upholding the dignity, maintaining order and regulating the proceedings and administering the affairs of the Bougainville House of Representatives.</p> <p>The Clerk is the head of the Parliamentary Service and is responsible to the Speaker for carrying out of the duties and functions of the Parliamentary Service, tendering of advice to the Speaker and the Parliamentary Service Commission and for the efficient, effective and economical management of the activities of the Parliamentary Service.</p> <p>The Clerk of the Parliament provides expert and authoritative advice and counsel to the Speaker, Ministers and Members of the Bougainville House of Representatives and its committees' practices and procedures relating to Parliament's role in making laws, scrutiny of the Executive Government and debate and investigation of matters of public interest.</p> <p>The Clerk is the most senior public servant of the Parliamentary Services, the administrative arm of the BHOR. The Office of the Clerk is provided for by the Bougainville Constitution section 78 to enable the House to function effectively and efficiently.</p> <p>The Clerk has management responsibilities relating to leadership, strategic planning, monitoring and evaluation, direction and is ultimately responsible for the Parliamentary Services' effective performance and operation within budgetary constraints.</p>	Bougainville Constitution Parliamentary Service Act Office of the Clerk Act
2. Management experience and qualifications	<p>The BHOR Parliamentary Service provides administrative and supports services to the House of Representatives and to members of the House; and to administer, in accordance with directions given by the Speaker, the payment of funding entitlement for parliamentary purposes. The administrative and advisory support are enabled through qualified and experience Officers engaged within the functions and offices which are:</p> <ul style="list-style-type: none"> <li>• The Office of the Clerk</li> <li>• The Procedure and Chamber Service</li> <li>• Parliamentary Education Programs</li> <li>• The Personnel and Corporate Governance</li> <li>• The Finance, Budget and Administration</li> <li>• The Inter Parliamentary Relations</li> <li>• The Parliamentary Committee Secretariat</li> <li>• The Public Accounts Committee</li> <li>• The Information, Hansard &amp; Library Support Service</li> <li>• The Security Service</li> </ul>	Parliamentary Service Act

Capacity Assessment for Project Implementation

AREAS FOR ASSESSMENT	ASSESSMENT QUESTIONS	REFERENCE DOCUMENTS AND INFORMATION SOURCES
3. Planning and budgeting	Prior to each fiscal year, the Clerk prepares an estimate of the sums that the House will be required to provide for the payment of the expenses of the House and its members during the fiscal year. The Clerk prepares the estimate for the House within the ceiling established for the House for the fiscal year by the Bougainville Executive Council. The BHOR passes the ABG Appropriation Act for each fiscal year before implementation.	
4. Supervision, review, and reporting	This process involves the Senior Management Team (SMT) who are responsible for providing supervision, review and reporting on the performance of respective sections that are established under the Parliamentary Service management and organizational structure. The Parliamentary Service through the Office of the Clerk and Speaker ensure that monitoring, evaluation and reports become part of the implementation process.	Parliamentary Service Act
5. Networking	Parliamentary Service works in partnership with UNDP, UN Women, the Bougainville Administration and its important clients namely the Members of the Bougainville House of Representatives. It also supports the partnership arrangement with the National Parliament both at the leaders and officer's levels. Inter parliamentary relations connects the BHOR with other parliaments with a common objective to share experience on the role parliaments play in addressing global issues such as Climate Change and Gender Equality.  BHOR is twinned with the New South Wales Parliament.	Parliamentary Partnership Agreement (Letter of Agreement)
<b>2.2 Technical Capacity</b>		
1. Technical knowledge and skills	While capacity building remains one of our priorities, Parliamentary Service is able to utilise its staff in the area of project management, monitoring and evaluation, finance and budget, parliamentary procedures and practice, information and communication technology to implement programs and projects.	
<b>PART III. ADMINISTRATIVE AND FINANCIAL MANAGEMENT CAPACITIES</b>		
<b>3.1 Administrative capacity. Note: Answer only questions that are relevant to the proposed project.</b>		
1. Facilities, Infrastructure and equipment	The Parliamentary Service has the facilities, infrastructure and equipment to deliver programs and projects. Members of the House are also capable of delivering using the resources that are available in the Bougainville Parliament.	
2. Procurement and contracting	The Parliamentary Service has an approved procurement process. The processes and procedures are compatible to the Bougainville Administration to fulfil all required tasks to achieve its objectives in the Autonomous Region of Bougainville.  The BHOR Parliamentary Service continues to improve on its performance and its own processes and procedures, it has adopted its new management structure but continues to implement the Parliamentary Service Act 2009, the Office of the Clerk Act 2009 and the Standard Terms and Condition of Employment of staff of the House of Representatives.	Parliamentary Service Act
3. Recruitment and personnel management	Employment of the Staff of the Bougainville House of Representatives is done in accordance with the Bougainville House of Representatives Standard Terms and Conditions of Employment and Office of the Clerk Act 2009.  The Act empowers the Clerk of the House of Representatives to make appointments of staff of the House of Representatives in consultation with the Bougainville Chief Secretary.	Office of Clerk Act Terms and Conditions of Employment

## Capacity Assessment for Project Implementation

AREAS FOR ASSESSMENT	ASSESSMENT QUESTIONS	REFERENCE DOCUMENTS AND INFORMATION SOURCES
	Appointment of Staff complies with the recruitment processed under the Bougainville Public Service Management and Administration Act 2014 and the approved Standard Terms and Conditions of Employment.	
<b>3.2 Financial Management Capacity</b>		
1. Financial management organization and personnel	This is sufficient to support the implementation of project funding. Parliamentary Service is accountable for the proper management of public funds according to the Public Finance Management Act. Parliamentary Service ensures that public funds received from both the ABG and the National Government as well as funding support received from donor agencies are managed responsibly.	
2. Financial position	<p>The Parliamentary Service 2017 budget caters for recurrent activities for Parliamentary purposes and grants releases on a quarterly basis to the Members of the House including the President and the Speaker. It still relies on the UN Peacebuilding Fund to support the Parliamentary Support projects.</p> <p>Parliamentary Service is able to contribute funds on a counterpart basis as demonstrated during the construction stages of the Members Resource Centre and other programs and projects but depending on affordability.</p>	Parliamentary Service 2017 Budget
3. Internal control	Due processes are in place to manage resources and processes which commits and requires Parliamentary Service to meet its internal obligations as part of its contribution to the implementation, monitoring and evaluation and provision of reports on approved projects. The Office of the Clerk has appointed the Deputy Clerk to take charge of UNDP programs as a measure to ensure that there is effective coordination of program and project	Parliamentary Service Act
4. Accounting and financial reporting	Parliamentary Service does not have a standalone finance and accounting arrangement. It still relies on Finance and Treasury chart of accounts based on the annual allocation.	PFMA Act
5. Audit	Audit of public accounts is conducted by the Internal Auditor. To date Parliamentary Service accounts have not been audited.	

**Conclusion and Recommendation:**

The information provided reflects the current status of the operation of the Parliamentary Service. It is important to note that the statements made are relevant to the scope of the project.

Apart from the role played to support the implementation of programs and projects with approved funding from the UN Bougainville Peace Building Fund, Parliamentary Service also focuses on its core business which is targeted towards the institutional and legislative functions of the Bougainville House of Representatives.

The current leadership is committed towards the partnership arrangement between the Autonomous Bougainville Government and the United Nations through its specialised organs. In our case, the United Nations Development Program and UN Women.

The achievements so far, in terms of physical infrastructure, capacity building targeting members of the House, and other support demonstrates the genuineness from both partners to see things happen in the best interest of peace, security and good governance in the Autonomous Region of Bougainville and Papua New Guinea.

Since the implementation of joint agreements between the ABG and the PNG Government on the execution of the UN funding support, the Parliamentary Service has experienced new challenges and ways of delivering effectively, a lesson learnt which shall strengthen the implementation of future programs and projects.

Checklist fulfilled by:

A handwritten signature in black ink, appearing to be 'A. J.', is written over a large, hand-drawn triangle.

Signature:

Date:

## Attachments

1. Bank Account Details
2. Bougainville Peace Agreements
3. PFMA Act
4. Parliamentary Service Act
5. Terms and Conditions of Employment
6. Office of the Clerk Act
7. Bougainville Constitution



**ACCOUNT NAME:** BOUGAINVILLE REFERENDUM  
COMMUNICATION COMMITTEE TRUST ACCOUNT  
**BANK NAME:** BANK OF SOUTH PACIFIC  
**ACCOUNT TYPE:** CHEQUE ACCOUNT  
**ACCOUNT:** 7010785371