



Enhancing Public Sector Accountability
through Institutional Strengthening in
Anti-Corruption & Decentralization
2017 - 2019

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Project Document

Project Title	<i>Enhancing public sector accountability through institutional strengthening in anti-corruption and decentralization</i>
Executing Organization	United Nations Development Programme (UNDP Timor-Leste) Mr. Claudio Providas, Country Director of UNDP Timor-Leste E-mail: claudio.providas@undp.org Tel (o): 670 331 3536
Date of Submission	11 August 2017

Target Country	Timor-Leste
Project Location	Entire Country: National, Regional, Municipal, and Suco (village) Regions
Beneficiaries	A. Anti-Corruption: Government Officials and Civil Servants of Timor-Leste (Direct), General Public (Indirect) B. Supporting Effective Service Delivery and Decentralized Public Administration: local civil servants of the two pilot Municipalities, members of the Working Groups, and targeted community members (Direct), and general public (Indirect) C. Strengthening Democratic Participation and Citizenship at the Municipal Level : Entire Voter Population & newly elected Municipal Presidents and Members of Municipal Assemblies
Project Period	November 2017 – December 2019 (26 months)
Project Goal	Timor-Leste achieves sustainable peace and prosperity through strong institutions that deliver services in a more efficient, transparent, and inclusive manner to the people of Timor-Leste.
Justification for Intervention	With the growing concerns about development financing and the increased pressure for social services, the country's next government, following the national elections in 2017, presents an opportune time for UNDP to bolster its efforts to strengthen anti-corruption, transparency and public sector accountability and service delivery in the country through a multi-stakeholder approach. The service delivery, in particular, will be focused on the Municipality level as the decentralization is currently accelerating in Timor-Leste.

<p>Expected Outcomes and Indicators</p>	<p>A. Anti-Corruption</p> <ul style="list-style-type: none"> ○ Outcome: A culture of transparency and rejection to corruption embedded in state institutions and citizens <ul style="list-style-type: none"> - Ratio of people who consider corruption as a serious problem <p>B. Supporting Effective Service Delivery and Decentralized Public Administration</p> <ul style="list-style-type: none"> ○ Outcome: Governance improved by promoting service delivery and participation of excluded groups including women and youth in the prioritization and investment of key areas in Municipalities <ul style="list-style-type: none"> - 2 Municipalities developed capacities to promote participatory governance by selecting and implementing projects in the priority areas <p>C. Strengthening Democratic Participation and Citizenship at the Municipal Level</p> <ul style="list-style-type: none"> ○ Outcome 1: Strengthened capacity of STAE and CNE for the conduct of transparent and inclusive Municipality Elections in Timor-Leste <ul style="list-style-type: none"> - Voter Turnout in Municipality Elections ○ Outcome 2: Newly elected Municipality Assemblies and Presidents of the Municipalities are skilled to fulfil their political mandates and meet citizen expectations <ul style="list-style-type: none"> - The skills of the member of the Municipality Assemblies and Presidents of the Municipalities are enhanced to debate and amend draft laws
<p>Expected Outputs and Indicators</p>	<p>A. Anti-Corruption</p> <ul style="list-style-type: none"> ● Output 1.1: Key ministries' and Municipality civil servants' internal control mechanisms strengthened and transparency and accountability mechanisms adopted at the national and local levels <ul style="list-style-type: none"> - National Anti-Corruption Strategy finalized and approved - Municipality civil servants' awareness on ethics & integrity and regulations on procurement increased - % of civil servants who deal with tax collection and licensing of foreign investment companies increased their knowledge on the prevention of corruption ● Output 1.2: Capacities of oversight institutions to promote corruption prevention and public sector integrity increased <ul style="list-style-type: none"> - Manuals to promote integrity and inspectoral system in public sector developed and distributed to civil servants - Integrity Pact for Procurement agreed by all stakeholders and its implementation in place ● Output 1.3: Public commitment to address corruption and promote good governance and sustainable development strengthened through national awareness and dialogue initiatives <ul style="list-style-type: none"> - Citizens' awareness of combatting corruption improved through outreach campaign <p>B. Supporting Effective Service Delivery and Decentralized Public Administration:</p>

	<ul style="list-style-type: none"> • Output 1.1: Priority areas in each pilot Municipality identified agreed, promoting participation of women and youth through the UNDP ART methodology <ul style="list-style-type: none"> - At least one priority area for each Municipality was agreed by stakeholders including women and youth • Output 1.2: Social impact projects designed and implemented at the local level, improving the service delivery capacity in each pilot Municipality <ul style="list-style-type: none"> - At least one project developed and implemented for each pilot Municipality through the participatory planning <p>C. Strengthening Democratic Participation and Citizenship at the Municipal Level:</p> <ul style="list-style-type: none"> • Output 1.1: Enhanced civic knowledge, awareness, and engagement of citizens on the decentralization process at the Municipality level including competencies <ul style="list-style-type: none"> - Development of strategy on civic education - Percentage of invalid votes • Output 1.2: Increased sustainability of voter registration system for Municipality Elections <ul style="list-style-type: none"> - Number of people registered to vote in Municipality Elections • Output 1.3: CNE and STAE are fully aware of the electoral legal framework for Municipality Elections to enhance transparency, accountability of the electoral process and ensure people's right to information <ul style="list-style-type: none"> - Indicator 1.3.1: Increase of CNE and STAE legal capacity in regard to their compliance with Electoral Legal Framework for Municipality Elections - Indicator 1.3.2: Feasibility Study for CNE conducted and available • Output 2.1: Capacity Development Plan for newly elected Municipality Assemblies and Presidents of the Municipalities designed and implemented <ul style="list-style-type: none"> - Availability of Capacity Development Plan for newly elected Municipality Assemblies and Presidents of the Municipalities • Output 2.2: Enhanced capacity of newly elected Municipality Assemblies and Presidents on substantive skill required by their political mandate <ul style="list-style-type: none"> - Number of Knowledge Management products produced - Number of training initiatives delivered to newly elected Municipality Assemblies and Presidents of the Municipalities
Intended Activities	<p>A. Anti-Corruption</p> <ul style="list-style-type: none"> • Output 1.1 <ul style="list-style-type: none"> - Activity 1.1.1 Finalize the National Anti-Corruption Strategy - Activity 1.1.2 Conduct Awareness-raising seminars on ethics & integrity and regulations on procurement at all Municipalities - Activity 1.1.3 Conduct a seminar for civil servants (SERVE) on preventing corruption in tax collection and licensing of foreign investment companies

	<ul style="list-style-type: none"> • Output 1.2 <ul style="list-style-type: none"> - Activity 1.2.1 Develop Manuals on values & integrity and inspection & monitoring for civil servants - Activity 1.2.2 Develop a consensus on the Integrity Pact for Procurement among stakeholders • Output 1.3 <ul style="list-style-type: none"> - Activity 1.3.1 Broadcast TV/Radio talk shows on the prevention of corruption - Activity 1.3.2 Conduct a youth workshop on the prevention of corruption <p>B. Supporting Effective Service Delivery and Decentralized Public Administration:</p> <ul style="list-style-type: none"> • Output 1.1 <ul style="list-style-type: none"> - Activity 1.1.1 Implementation of the UNDP-ART methodology (Working Group) - Activity 1.1.2 Analyze key sectors and prioritize projects in support of facilitators • Output 1.2 <ul style="list-style-type: none"> - Activity 1.2.1 Define and design projects in support of sectoral experts - Activity 1.2.2 Implement and monitor the projects in support of facilitators <p>C. Strengthening Democratic Participation and Citizenship at the Municipal Level:</p> <ul style="list-style-type: none"> • Output 1.1 <ul style="list-style-type: none"> - Activity 1.1.1 Assist CNE in developing an inclusive civic education strategy for decentralization process and Municipality Elections that focuses on civic and political rights, especially for the most vulnerable (women, youth and people with disabilities) - Activity 1.1.2 Assist STAE to develop and implement a voter education strategy and plan • Output 1.2 <ul style="list-style-type: none"> - Activity 1.2.1 Assist STAE in keeping updated the voter registration system at Municipal level • Output 1.3 <ul style="list-style-type: none"> - Activity 1.3.1 Support the legal capacity of CNE and STAE to interpret and comply with the new electoral legal framework on decentralization and Municipality Elections - Activity 1.3.2 Conduct a feasibility study for CNE based on Electoral best practices and standards, with focus on the electoral legal framework and procedures • Output 2.1 <ul style="list-style-type: none"> - Activity 2.1.1 Design and implement Capacity Development Plan for newly elected Municipality Assemblies and Presidents of the Municipalities • Output 2.2 <ul style="list-style-type: none"> - Activity 2.2.1 Support the production of knowledge management products to ensure knowledge sharing and learning opportunities within Municipality Assemblies - Activity 2.2.2 Support relevant training initiatives tailored for newly elected Municipality Assemblies
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	and Presidents of the Municipalities on thematic areas outlined in the capacity development plan
Cross-cutting Issues Consideration	The empowerment of the vulnerable groups including women and youth will be addressed directly and indirectly by capacity development training for Municipal civil servants and civic and voter education for citizens (Components B & C). Cross-cutting issues will be effectively upheld by promoting transparency and integrity of the public sector (Component A).
Arrangement	<ul style="list-style-type: none"> • Managed and Implemented by UNDP Country Office in Timor-Leste using participatory and knowledge transfer approaches • Cooperating with the Commission of Anti-Corruption (Component A); Ministry of State Administration, two pilot Municipalities (Component B) and; Technical Secretariat for Electoral Administration and National Commission for Elections (Component C)
Implementation Structure	Direct Implementation Modality (DIM)
Project Budget	Total Cost: 2,000,000 USD
Plan for Monitoring and Evaluation	<ul style="list-style-type: none"> • Expected Risks and Countermeasures: <ul style="list-style-type: none"> A. Anti-corruption: The political sensitivity of the intervention will be addressed by supporting the preventative aspect of corruption only. B. Supporting Effective Service Delivery and Decentralized Public Administration: Political uncertainty resulting from the possible ways in which decentralization is implemented by the upcoming 7th Government will be counter-measured by focusing on the permanent needs of the local governments, the capacity development of civil servants. C. Strengthening Democratic Participation and Citizenship at the Municipal Level: The possibility of violence or unrest over the period of the municipal elections will be addressed before, during, and after the elections through the collaboration with the PNTL Project (National Police). • Monitoring and Evaluation: Project site visits, interviewing beneficiaries, data collection from government counterparts, and desk research will be conducted as regular monitoring activities. Attached to the Logical Framework, monitoring tools such as field visit templates, a results framework, pre-and post-tests, questionnaires or surveys will be designed as per the needs of each component.
Plan for Reporting to KOICA	<ul style="list-style-type: none"> • Reporting: KOICA standard quarterly and annual reporting procedure • Communication with stakeholders and KOICA: Project Management Board Meetings (PMB) and discretionary meetings (more frequent updates on the project progress)

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1. Situation Analysis

1.1. Context of the Project

1.1.1. Map of target country and project site



Figure 1: Map of Timor-Leste

1.1.2. Country context

The Democratic Republic of Timor-Leste is the youngest country in the region, having officially enacted its current constitution in May 2002. This newfound independence was the product of a long and bitter struggle against more than two decades of Indonesian occupation, which had immediately followed four centuries of the Portuguese rule. On achieving its independence in 2002, at least 200,000 people had died over the course of the conflict for independence, while over 50% of the population had fled their homes and 75% of the country's infrastructure had been destroyed.

In 2006, Timor-Leste suffered another serious political crisis characterized by a rift among the political leadership which exacerbated tensions between the National Police of Timor-Leste (PNTL) and the armed forces of Timor. Significant violence occurred during the crisis, primarily in Dili, leaving at least 30 dead and more than 200,000 people displaced.

The United Nations has been present in Timor-Leste since 1999, with a number of missions assisting the development of a new nation from scratch. The United Nations Mission in East Timor (UNAMET), the United Nations Mission in Support of East Timor (UNMISET) and the United Nations Mission in East Timor (UNMIT) all played crucial roles in establishing Timor-Leste before the UN transferred authority to the Government of Timor-Leste in 2012.

1.1.3. Overview of the current situation

Since 2002, Timor-Leste has made substantial progress in establishing a democratic state and achieving its development goals. From popular consultation in 1999 to July 2016, four general elections (presidential and parliamentary) and three suco (village) elections have been conducted without serious violent incidents (although the 2007 general election was preceded by the violence in 2006). The most recent presidential election took place in March 2017 and parliamentary elections in July 2017, forming the seventh Constitutional Government.

Economic growth was extremely strong from 2007 to 2012 (averaging over 10% per annum), and the economy continued to grow at a rate of 5% in 2016. Its economic growth is one of the highest in the region and its gross national income makes it a 'lower middle-income country'. The country has also achieved progress in meeting some of the MDG indicators such as gender equality in primary and secondary schools and reducing child mortality rate.

However, Timor-Leste still faces several governance and development challenges that may hinder its sustainable development in the near future. The poverty rate remains high in the country (41.8 percent in 2014, World Bank). 74 percent of the rural population suffer moderate to severe food insecurity, contributing to one of the highest malnutrition rates in the world, especially for children and women.¹ 82 percent of infants and children do not consume a minimum acceptable diet, while 72 percent do not meet the recommend level of dietary diversity.² Adult literacy rate is 64 percent (World Bank 2015). Almost 60 percent of the population is either engaged in informal sector or are in "vulnerable employment" leading to widespread job insecurity in the country.³ In 2013, Timor-Leste ranked 128 out of 187 countries and territories on the Human Development Index (HDI) and its rank further slipped to 133 out of 188 in 2014 where it remains in 2016.

To promote growth and development, the national Strategic Development Plan (2011-2030), identified and prioritized three areas for government spending programmes – social capital, infrastructure, and non-oil economic diversification. The Infrastructure Development fund was established in 2011 to support infrastructure projects in the country, and this infrastructure fund is actually financed from the Petroleum Fund. Timor-Leste is one of the most oil dependent countries in the world, and its Petroleum Fund (established in 2005 to transparently and responsibly manage petroleum revenues for development), is now estimated at \$16.1 billion.⁴ Annual capital spending stands at around \$1 billion, in marked contrast with the years prior to 2007, when capital spending averaged only around \$55 million. Recurrent expenditure has also increased dramatically – with the payroll for a greatly expanded civil service accounting for a good deal of this increase in recurrent

¹ UNDP Timor Leste, 'Draft Country Programme Document 2015-2019', <http://papersmart.unmeetings.org/media2/3816314/dpdcptls2.pdf>

² Belo, E., Snowball, K., and Grieve, H. 2015. Roundtable Dialogue on Nutrition and Food Security Mapping the Underlying Drivers of Malnutrition in Timor-Leste.

³Government of Timor Leste, Division of National Statistics, 'Timor Leste labour Force Survey, 2010' <http://dne.mof.gov.tl/published/TLS%20Labour%20force%20survey%202010/Timor-Leste%20-Labour%20Force%20Survey%20Report%20-%202010.pdf>

⁴ Presentation by Petroleum Fund Administration Unit of the Ministry of Finance to UNDP Timor-Leste in February 2017.

expenditure. These increases in government expenditures have been achieved by withdrawing well over the Estimated Sustainable Income levels of the Petroleum Fund (3 percent of the petroleum wealth for the year) to meet its budget needs. These levels of public expenditure are projected to slow down the growth of the Petroleum Fund and thus compromise overall fiscal sustainability.

Overall, this situation does not bode well for the short to medium term financial stability of Timor-Leste. The offshore Bayu-Udan gas field, which brings in 95 percent of Timor-Leste's oil and gas royalties, is estimated to become exhausted by 2021.⁵ The country faces tough choices around sustaining investments in infrastructure and expanding market access to trigger growth or save revenues to meet long term development needs. Given the uncertain fiscal future of Timor-Leste, the need for greater accountability, transparency, and efficiency in respect of public expenditure is today greater than ever.

1.2. General Information on Executing Organization

1.2.1. Overview of organization (strategic plan, program, expertise, operations, etc.)

United Nations Development Programme (UNDP) is one of the leading agencies in the UN system, committed to human development. It has been providing supports to development processes often in conflict-affected settings over the last fifty years. UNDP offices are currently operative in more than 170 countries in the world. With its broad mandate, UNDP can employ multifaceted and context-tailored approaches to a range of areas that hinder human development. The programme areas in which UNDP is specialised in cover all levels of development such as governance, peacebuilding, poverty reduction, climate change, gender equality, and crisis response. Since 2015, UNDP supports governments to achieve Sustainable Development Goals (SDGs) through policy assistance and implementation.

The 'UNDP Strategic Plan' outlines overarching vision and outcomes that help harmonise its global efforts. The 'Strategic Plan 2014-2017' is currently active, focusing on poverty eradication and inclusive development. The followings are the proposed outcomes of the Strategic Plan 2014-2017:

1. Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded;
2. Citizen expectations for voice, development, the rule of law and accountability are met by stronger systems of democratic governance;
3. Countries have strengthened institutions to progressively deliver universal access to basic services;

⁵ Asian Development Bank, 'Asian Development Outlook 2014: Fiscal Policy for Inclusive Growth – Timor Leste' <http://www.adb.org/sites/default/files/publication/31241/ado2014-timor-leste.pdf>

4. Faster progress is achieved in reducing gender inequality and promoting women's empowerment;
5. Countries are able to reduce the likelihood of conflict, and lower the risk of natural disasters, including from climate change;
6. Early recovery and rapid return to sustainable development pathways are achieved in post-conflict and post-disaster settings;
7. Development debates and actions at all levels prioritize poverty, inequality and exclusion, consistent with our engagement principles.

The next Strategic Plan 2018-2021 is in the process of designing and drafting under the title of 'The Road to 2030: Creating Opportunity for Sustainable Development', based on the mid-term review of the current Plan and consultations within and outside the organisation. It is expected to be finalised and adopted in September 2017 by the Executive Board.

1.2.2. Overview of Country Office in target country

With the guidelines of the global Strategic Plan and UNDP Country Programme Action Plan (2015-2019) tailored for the country-specific situation, UNDP Timor-Leste provides technical assistance to the Government of Timor-Leste to achieve stability and sustainable development. The partnership between the Government of Timor-Leste and UNDP has long been forged since 1999 when the public consultation and referendum of the independence were conducted. UNDP, together with other UN agencies and UN Missions, was at the center of the post-conflict statebuilding process in Timor-Leste, assisting the establishment of state institutions and building the institutional capacities.

The UNMIT, the last peacekeeping mission in Timor-Leste, withdrew in December 2012, which resulted in downsizing the UN's presence in the country. UNDP Timor-Leste has also transitioned and is currently comprised of three programmatic portfolios: Democratic Governance, Sustainable Development, and Resilience Building. The areas of decentralization and elections are existing projects in the current portfolio of the Democratic Governance Unit, which also deals with Justice, National Police of Timor-Leste and Special Economic and Social Market Zone of Oecusse (ZEESM).

At the beginning of 2017, however, UNDP Timor-Leste decided to restructure the office once again to be able to respond more swiftly to fast changing environment of the funding climate and also to the needs of SDG implementation in the country. Those three units mentioned above will be incorporated into one SDG Acceleration Team, under which all projects will be managed. The structural change will take place and be effective in the second half of 2017.

1.2.3. Strategies and activities for responding to the problem

The main activities and results of UNDP Timor-Leste related to the project areas in this proposal are inter-connected and mutually complementary as follows:

Decentralization

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

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

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

Elections

Timor-Leste is one of the youngest countries in the world, where general elections have been held only four times apart from the public consultation and referendum in 1999. The 1999 referendum was the people of Timor-Leste's very first exposure to democratic processes, and most recently, the country held Suco (village), Presidential, and Parliamentary Elections in October 2016, March 2017,

and July 2017 respectively. UNDP Timor-Leste has been involved in supporting each election in Timor-Leste since independence in 1999, through the management and provision of comprehensive electoral assistance consisting technical, administrative, logistical assistance, and election security.

In August 2016, a new UNDP electoral assistance team called LEARN (Leveraging Electoral Assistance for Regionalized Nation-Building) was formed for the upcoming Suco, Presidential, Parliamentary, and Municipal Elections in Timor-Leste. These elections mark the very first time that the Government of Timor-Leste has taken charge of electoral management themselves, rather than relying on all-encompassing assistance from the UN as was the case in the previous elections. This development highlights the progress of the Government's capacity and the effectiveness of the UN's past contribution to electoral management. As a result, much of the LEARN's inputs remain relatively small compared to the past, though they are still crucial to the further development of government capacity to support free and fair, democratic elections. With technical assistance, civic and voter education, electoral legal support and other administrative and logistical support from LEARN, the Suco, Presidential, and Parliamentary Elections in 2016-2017 were successfully conducted without major incidents. LEARN will continue to provide its assistance for the Municipal Elections that will take place in 2018-2019 for the first time in history as part of the decentralization plan of the country.

Anti-Corruption

UNDP Timor-Leste has assisted the country's anti-corruption efforts indirectly, through the Justice System Programme, a project on justice sector reform. Several international prosecutors were deployed to the Office of Prosecutor-General, providing technical assistance to develop the capacity of the Office including the investigation of corruption cases. This advisory role at the OPG helped strengthen the corruption investigative capacity, on which CAC relied for its investigation mandate. Over the years, Timorese legal professionals have become more involved in, and have confidently performed, the investigation of corruption cases, although there remains a need for international support.

1.2.4. Organization's capacity on implementing the Project

UNDP is a longstanding institution in Timor-Leste, with the experience, capacity and relationships to implement the Project effectively and efficiently. UNDP benefits from a significant fund of experience, developed both throughout the organization's global network and over the course of its 15-year presence in Timor-Leste. On the areas of decentralization and elections, UNDP benefits from subject specialists who have worked on exactly these issues as part of the SNGDP and LEARN projects respectively. On anti-corruption, the current National Project Manager of Justice System Programme, UNDP used to work as a project manager for UNODC (United Nations Office on Drugs and Crimes), which has been providing its dedicated support to the prevention of corruption in

close collaboration with the Commission of Anti-Corruption of Timor-Leste. The PM of JSP will make himself available to share his knowledge and experience in implementing the project. UNDP also benefits from longstanding relationships with the Government of Timor-Leste, other UN organizations, and key international and local NGOs and citizens groups. Finally, UNDP gains from structural resilience that allows it to draw resources from its wider organization and regional specialists to meet greater challenges. For example, the UNDP LEARN team was built with specialists and resources from many UNDP stations, allowing UNDP to tailor-make a unit to support elections in Timor-Leste.

2. Justification

2.1. Problem Statement

2.1.1. In-depth situation analysis at the project site

Addressing Corruption

Timor-Leste has taken steps to establish a legal and institutional framework for a transparent, accountable and democratic state. It has established oversight institutions to address corruption and promote public sector integrity. The Commission on Anti-Corruption (CAC) was established in 2009 with a mandate to both prevent and investigate corruption. The Civil Service Commission (CFP) was established in 2004 to promote integrity in the public sector. Other oversight institutions that make up the national anti-corruption and integrity framework include the Parliament – with its Commission A and C focusing on promoting public sector ethics, and enforcing oversight on budget and public financial management, the Inspector General's office (with inspector generals in 15 ministries and agencies), the Prosecutor General's office, the Court of Appeal and Audit, the Provedoria of Human Rights and Justice (PDHJ), and the National Procurement Commission. In addition, a Scientific Police Criminal Investigations (PCIC) unit is set up in the Ministry of Justice to investigate money laundering and other crimes. All of these oversight institutions face both technical and human resource capacity challenges that hinder their anti-corruption efforts.

However, the country has been slow in adopting the legal framework for anti-corruption. The Law on Anti-Corruption has been pending in the Parliament since 2011, and the country is yet to adopt a National Anti-Corruption Strategy. Despite the institutional framework and policies to promote transparency, the country's performance on different global indices continues to be poor. On Open Budget Index, Timor-Leste scores 41/100 (2015 score), which places Timor-Leste within the 'Insufficient Openness Category'. On Resource Governance Index, Timor-Leste's composite score has slipped from 70.5/100 in 2010 and 68/100 in 2013 to 49/100 in 2017. On Corruption Perception Index by Transparency International, Timor-Leste ranks 101/176 and scores 35/100 in 2016.

In terms of government transparency, though mechanisms such as the Transparency Portal exist,

information is not in an easily accessible format. In addition, the portal is web-based and internet connectivity is low. For example, with only 0.14 percent of the population with access to fixed internet and 63 percent to mobile phones,⁶ the widespread use of the Transparency Portal may be questionable. With a few exceptions, civil society's role in disseminating and accessing official information related to budgets and expenditures is minimal.

Timor-Leste's rank on the Corruption Perception Index rank was 101/176 in 2016 and 112/168 in 2015. This indicates that the level of public perception of the occurrence of corruption in the country is high. CEPAD's 2009 Survey also showed that corruption, collusion, and nepotism (KKN) was identified as a major hindrance to development and peace. Corruption is a complex phenomenon and takes many forms – from bribery to nepotism to illicit financial flows. In Timor-Leste, the majority of the cases handled by the Prosecutor General's office are corruption cases related to conflict of interest, sole source procurement, and embezzlement by public officials.⁷ From 2011-2017, the number of cases referred from the prosecution services to the Anti-Corruption Commission (CAC) was 157, of which CAC completed investigation in 147 cases.⁸

In an effort to develop a coordinated and comprehensive approach to address corruption, the government has also established a National Implementation Technical Working Group, chaired by CAC, to develop a national strategy on anti-corruption. The technical working group brings together representatives of all ministries and institutions to develop the strategy on anti-corruption. There is an opportunity to support and strengthen this process in order to align the strategy to the standards upheld in the UN Convention on Anti-Corruption (UNCAC). In recent years, CAC has worked with the UN Office of Drugs and Crime (UNODC) to strengthen its operations. However, this assistance is concluding at the end of 2017 and there is enthusiasm at the highest level of CAC to continue its cooperation with the UN through UNDP.

Local Governance and Development

The constitution of Timor-Leste provides for a decentralized public administration and the topic has been on the political agenda since 2003.⁹ The 5th Government proposed to kick-start its decentralization process with what it called "administrative pre-deconcentration" and a district level structure was outlined under Decree Law No. 04/14 in January 2014. The recent development of the legal framework is also encouraging as, after several years pending in the National Parliament,

⁶BuddeComm - <http://www.budde.com.au/Research/East-Timor-Timor-Leste-Telecoms-Mobile-and-Internet.html#sthash.ptEnY2K1.dpuf>

⁷ UNDP BRH scoping mission team interview with the Prosecutor General's Office, 5 March, 2015

⁸ Information provided by CAC in March 2017.

⁹ 'Local government is constituted by corporate bodies vested with representative organs, with the objective of organising the participation by citizens in solving the problems of their own community and promoting local development without prejudice to the participation by the State.' (Article 72 (1), Constitutional Law of Timor-Leste)

the Law on Local Government and the Law on Municipal Elections were both approved by the National Parliament in 2017. Together with the Law on Territorial and Administrative Division, approved in 2009 and amended in 2017, the legal framework governing the decentralization process will soon be in full effect under the 7th Government.

In accordance with the above laws, the Municipal Elections are now expected to take place in 2018/2019. Elections at the Municipal level are in line with the Municipality Strategic Development Plans, launched by the Ministry of State Administration and Territorial Organization, as part of the broader roadmap framework of the Timor-Leste Strategic Development Plan 2011-2030. It is the first time that the Municipal legislative bodies will be elected by citizens, rather than appointed by the central government, which has been the case until now.

A related area of growing concerns is over the capacity and quality of public service delivery provided by local governments. The government has proposed to allocate \$132 million in 2018 for all Municipalities, as compared to \$20-42 million in 2017, to be used for various decentralization programmes including the Integrated Municipality Development Planning (PDIM) and National Suco Development Programme (PNDS).¹⁰ It has been questioned whether the corresponding capacities required to manage such programmes exist in the work force on the Municipal level. In addition, eight small-sized Municipalities (Municipal Administrations) are restricted by a lack of human resources, while the remaining four Municipalities (Municipal Authorities) are burdened with oversized organizational structures.

Without a 'checks and balances' mechanism in place, the devolution of previously centralized powers to the regions could trigger and worsen the perception of corruption and mis-management at the local level. With large sums of money going into infrastructure projects, particularly during uncertain fiscal times, lack of accountability and transparency can severely undermine development efforts in the country.

2.1.2. Assistance from other organizations to the project site

Anti-Corruption

The other main government institutions and UN agencies also providing assistance to the project site include:

- United Nations Office on Drugs and Crime (UNODC);
- Commission on Anti-Corruption (CAC);
- The Civil Service Commission;
- Office of the Inspector General (with inspectors general in 15 ministries and agencies);
- The National Parliament of Timor-Leste;

¹⁰ Information Provided by MSA in August 2017.

- The Court of Appeal and Audit;
- The National Procurement Commission;
- The Office of the Prosecutor General; and
- The Officer of the Provedor for Human Rights and Justice (PDHJ).

Decentralized Public Administration

The other main government institutions and UN agencies also providing assistance to the project site include:

- The Ministry of State Administration;
- The Ministry of Planning and Strategic Investment (MPSI), including the Major Project Secretariat (MPS);
- The Ministry of Finance;
- The National Parliament of Timor-Leste; and
- The Special Social Market Economy Zone in Oe-cusse (ZEESM).

Elections

The other main government institutions and UN agencies also providing assistance to the project site include:

- The Technical Secretariat for Electoral Administration (STAE);
- the National Commission for Elections (CNE);
- The Ministry of State Administration;
- The National Parliament of Timor-Leste;
- The National Police of Timor-Leste (PNTL); and
- The Timor-Leste Defence Force (F-FDTL)

2.2. Needs Assessment

2.2.1. Description of target group (beneficiaries) and stakeholders

Anti-Corruption

The national counterpart of this component would be the Commission on Anti-Corruption (CAC), an independent institution to advocate anti-corruption and oversight public officials for misconduct and maladministration. According to the mandate of CAC, the two main objectives of the institution are the prevention and investigation of corruption, and with the former pursued through education. Based on the institution's research findings, CAC promotes awareness and dialogue initiatives in the public sector and amongst the general public through publications, workshops and other forms of media. Hence, the primary target group or beneficiaries of CAC is the **government officials and civil servants** of Timor-Leste, especially at the national and municipal levels as well as the **general**

public. Other oversight institutions such as the Civil Service Commission, National Procurement Commission, Parliament, and the Provedoria for Human Rights and Justice would also be stakeholders of this component.

Decentralization of Public Administration

The Secretary of State for Institutional Strengthening under the Ministry of State Administration is the focal department of the decentralization process in Timor-Leste, and therefore is the key counterpart of this component. With regard to the specific project site, the project will select two pilot Municipalities where the project's capacity building programmes will be implemented for local civil servants. The capacity building programmes will be likely to form a Working Group comprised of stakeholders such as community leaders, the private sector, and vulnerable groups such as women and youth. Therefore, the direct beneficiaries would be the **local civil servants of the two pilot Municipalities, members of the Working Groups, and targeted community members.** Enhancing accountability and transparency through capacity development of civil servants in the decentralization process and decentralized administration is ultimately designed to benefit the general public. The indirect target group of this component, thus, includes the **general public.**

Municipal Elections

The key national counterparts are the Technical Secretariat for Electoral Administration (STAE) and the National Commission for Elections (CNE).¹¹ During the pre-election period, UNDP plans to provide technical assistance to the CNE, STAE, and other relevant government departments to develop and implement civic and voter education strategies and maintain and update the voter registration system at the municipal level. The target group is, therefore, the entire **voting population**, with a focus on vulnerable groups such as youth, women and people with disabilities. Post-election activity will be centred on building the capacity of **newly elected Municipal Presidents and Members of Municipal Assemblies.** Main stakeholders would be relevant government ministries and departments such as the Ministry of State Administration and Territorial Organization, however, a broad range of stakeholders will be considered to ensure sustainability and consolidation of local democracy.

2.2.2. Needs of beneficiaries

The needs of beneficiaries are presented as below based on a number of consultations with

¹¹ The National Electoral Commission (CNE) is an independent body that monitors and supervises the electoral process, with the responsibility to adjudicate election-related complaints and the national tabulation of votes. The Technical Secretariat for Electoral Administration (STAE) is responsible for the administration and organization of elections, and is placed under the Ministry of State Administration. The division of tasks between the two bodies is based on the assignment of responsibility for civic education to CNE and for voter education to STAE. CNE, as an independent body, has its own budget approved by the Parliament, STAE, while under the tutelage of the Government, enjoys technical, administrative and financial autonomy, as established by the Law on Electoral Management Bodies (Law n.7/2016).

government counterparts:

Anti-Corruption

Awareness-raising and capacity development on combatting corruption amongst government officials are regarded as significant and urgent issues according to the findings of the Public Perceptions Survey commissioned by CAC in 2015. The findings show that:

58 percent of the respondents believe that acts of corruption are mostly committed by those who hold power, and 13 percent believe that corruption is mostly committed by government officials. Further, the perception survey reported that corruption exists in all Timor-Leste's sovereign bodies, with the highest prevalence considered to be in government...46.5 percent of respondents reported that they considered corruption to be more prevalent and increasing in the preceding two years.¹²

The consultations with staff of CAC also confirms that there are strong needs to complete policy guidelines and manuals for civil servants, including the National Anti-Corruption Strategy and Integrity Pact for Procurement. Many of these works are pending in CAC due to a lack of human and financial resources.

Decentralization of Public Administration

In 2016, progress was seen in deconcentrating government administration, with the creation of four Municipal Authorities (Baucau, Bobonaro, Ermera, and Dili) and eight Municipal Administrations (Aileu, Ainaro, Cova Lima, Lautem, Liquica, Manatuto, Manufahi, and Viqueque) in the country. This was further buttressed by the adoption of a new Suco Law in 2016, which stipulated new roles and responsibilities to Suco councils. In July 2017, the package of three laws concerning the establishment of local government was passed in the National Parliament after several years of delay. The time is therefore ripe for supporting decentralized public administration through capacity building of civil servants at the Municipal level.

Given the fact that the relevant laws recently approved and the upcoming Municipal Elections, it is an opportune time to invest in decentralization and rural development in Timor-Leste. As local government resources and capacities are still insufficient, however, local governments and assemblies risk facing corruption, and becoming a source of financial mismanagement and nepotism without detailed planning and guidelines. The increasing recognition of widening disparities and inequalities in Timor-Leste, especially between rural and urban areas and amongst youth, calls for renewed efforts to implement interventions that are proven to address development challenges at

¹² 'The Alarming Nature of Corruption in Timor-Leste' (The Diplomat, April 7, 2017) <http://thediplomat.com/2017/04/the-alarming-nature-of-corruption-in-timor-leste/> (accessed 9 July 2017)

the local and regional level and that are cost-effective, scalable and sustainable. Having acknowledged these issues, the Ministry of State Administration and Secretary of State for Institutional Strengthening, the responsible Ministry/Department for decentralization and institutional capacity building, have often expressed their interest in receiving assistance from UNDP in this regard. UNDP recent experience in implementing small projects at the local level further confirms the importance of having a priority setting in a participatory manner and project delivery mechanism in place.

Municipal Elections

The Municipal Elections in 2018-19 hold great significance for both the democracy and decentralization of Timor-Leste. Unlike the situation under the current appointment system, each Municipality will now have democratically elected Members making up its new Municipality Assembly and a democratically elected President. Free, fair, and transparent Municipal Elections are essential for the provision of greater accountability and autonomy through the decentralized administration. However, this new electoral process at the Municipal level will need to be explained to the population, as this is the very first time conducting elections on the Municipal level, including the roles and responsibilities of both the Municipal Assemblies and the President of the Municipality. STAE and CNE will, therefore, require specialized technical assistance, particularly in developing an inclusive civic education strategy concerning the decentralization process. Electoral legal support will be also needed to help clarify the electoral legal framework, and subsidiary legislation, by undertaking an analysis of election laws and feasibility study at national and municipality levels, and hence make relevant recommendations in this regard. On the other hand, newly elected Members of Assemblies and new Presidents of the Municipalities will also need vocational training and induction programmes, at least during the initial period of their term, to meet their competencies. Such competencies include approving Municipality budgets, the proposing and passing of laws and overseeing the Municipalities' public administration. Such support to the beneficiaries follows the same rationale as the capacity development initiatives implemented at National scale, once supported by the Parliament Project of UNDP.

2.2.3. Justification for intervention

It has often been stated that the coming five to ten years will be crucial for Timor-Leste. This is primarily because the offshore Bayu-Udan gas field, which comprises the major revenue source of the country, is expected to be depleted in the next five years. At the same time, a new president was elected in March 2017 and the 7th Constitutional Government of Timor-Leste is soon to be formed after the Parliamentary Elections held on 22nd July 2017. The new Government performance for the next five years will determine the future of the country in many areas. Jobs, social services and effective decentralization connecting public investment with an impact on people will be critical. Therefore, the next couple of years presents an opportune time for KOICA and UNDP to bolster its

efforts to strengthen anti-corruption, transparency and public-sector accountability in the country through a multi-stakeholder approach. The proposed project will be comprised of three inter-linked and complementary components, with the relevant focus areas and planned activities described below:

Component A: Anti-Corruption

UNDP proposes a three-pronged, interlinked approach to strengthen anti-corruption efforts in the country. First, the proposed project will mainstream transparency and accountability at the Municipal level by socializing relevant laws and regulations, such as those on procurement and public sector reforms, to municipal civil servants in charge of procurement, finance and logistics. There will also be a focus on providing support to key ministries and institutions to adopt transparency and accountability systems such as complaints mechanisms and other systems to track flows of resources and assets. The objective of such socialization will be to facilitate access to information, promote the efficient management of resources, enhance the provision of quality services. UNDP, in collaboration with civil society and other stakeholders, will also advocate for the adoption of the anti-corruption law, and share experiences and lessons learnt from both within the country and internationally, to shape the development of a National Anti-Corruption Strategy.

Second, at the organizational level, the proposed project will focus on strengthening the capacity of CAC and supporting its collaboration with other oversight institutions, specifically the National Parliament, the civil service commission, PDHJ and the procurement commission to promote public sector integrity and accountability. Here, emphasis will be placed on self-assessments, developing training materials, and supporting capacity development initiatives related to public sector integrity.

Third, it focuses on raising the awareness among citizens – i.e. increasing public commitment to anti-corruption and influencing the reform processes through multi-stakeholder engagement. UNDP will assist CAC to broadcast public awareness advertisements on anti-corruption based on their research findings, and bring together civil society and youth to discuss governance and corruption challenges.

Component B: Supporting Effective Service Delivery and Decentralized Public Administration (Decentralization I)

This component will adopt a UNDP's global strategy called the ART Initiative (Articulation of Territorial Networks for Sustainable Human Development) to support decentralized public administration focused on the capacity development of civil servants.¹³ The initiative will be

¹³ The ART Initiative is characterized by a specific methodology that combines the creation of local, national and global

piloted in two Municipalities, one Municipal Authority and one Municipal Administration. It is expected to provide an indication for a scale-up project in the future by sampling two Municipalities with different capacities. The fundamentals of the implementing methodology will be identical in both pilot Municipalities although details might be tailored to the context of each Municipality.

More specifically, UNDP will assist a facilitator who will be based in each pilot Municipality and organize a Working Group comprised of a group of Municipal civil servants, representatives of various community groups, and private sector/other stakeholders at the Municipal level. The impartiality and neutrality of the facilitator will help the Working Group find one or two priority areas/sectors in the pilot Municipality and select one or two corresponding projects submitted by sub-districts ('social impact projects') (Phase I). Once agreed on the focus areas and relevant projects, UNDP will bring in expertise by deploying sectoral specialists to help develop and design the social impact projects in detail and provide technical assistance to the whole cycle of the project management including monitoring and reporting (Phase II). As it can be seen in Figure 2, however, the stages are part of processes and the prioritisation can start again in any moment that a new topic emerges or if some goals have been reached.

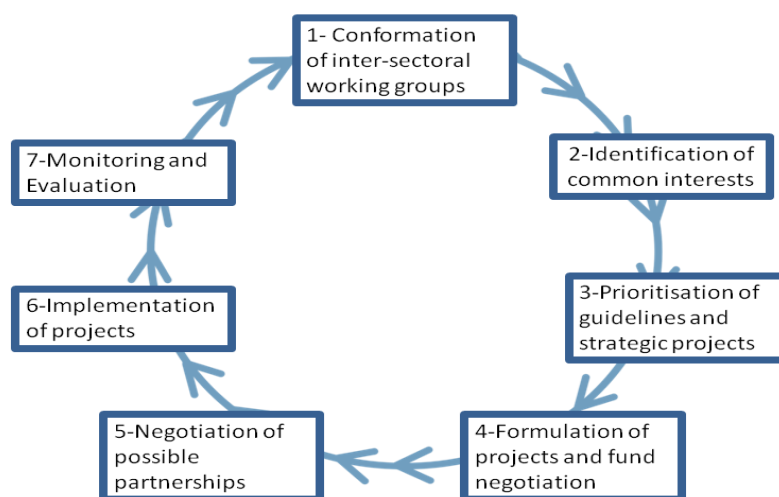


Figure 2: Local Programming Cycle of the UNDP ART methodology

The three fundamental principles of the approach are Self-help, Diligence and Cooperation. The facilitator will, first of all, ensure that the Working Group is inclusive and representative, particularly

spaces and networks for articulation, with the promotion of the strategic and operational participation of multiple cooperation actors through dialogue. The methodology promotes local economic development processes, accompanying the territories (municipality-village) in the definition of economic participatory development strategies. The territorial approach to development has proven to be one of the most realistic, pragmatic and effective strategies to stimulate and consolidate governance and sustainable development in the medium and long term.

with respect to vulnerable groups in communities such as women, youth, and people with disabilities, and that their voices are channelled to the Municipal government. In this line, the Working Groups contribute to the empowerment of small actors by bringing them to the same table with national and municipal institutions. The local programming cycle also promotes a faster decision making process to analyse the common interest and prioritises some investment for the good of all.

The participating civil servants, as a result, will be able to gain hands-on experiences, through learning by doing, and apply the same methodology to other areas by themselves. This contrasts with conventional capacity building training, which is often criticized for having little lasting impact on the recipients due to being a one-off event and its inapplicability to real situations. This comprehensive, sectoral, and participatory approach to capacity building will establish trust in local governance, contribute to local development through successful implementation of the community projects in the prioritized sectors, and most significantly, the capacity of civil servants will be genuinely improved.

Component C: Strengthening Democratic Participation and Citizenship at the Municipality Level (Decentralization II)

The Law on Municipal Elections, recently approved by the National Parliament, represents the main legal framework for the upcoming Municipal Elections and will substantially reform local governance. Presidents of the Municipalities and Members of the Municipal Assemblies will no longer be appointed by the central Government, but elected directly by citizens. This reform will strengthen citizen participation in the political arena at the local level, consolidating the decentralization process, and hence increases social inclusion in Timor-Leste, in line with SDG 16.

UNDP proposes an integrated approach that aims to both support credible, peaceful, and fair Municipal Elections and to enhance the capacity of newly elected Municipal Presidents and Municipal Assemblies' Members to strengthen citizen participation in Municipality governance. The assistance leading up to the Municipal Elections consists of the followings: i) developing and implementing a civic education strategy, ii) keeping updated the voter registration system at the Municipal level, and iii) strengthening the legal framework on decentralization and Municipal Elections, including a feasibility study on electoral best practices and standards. A focus of the post-election assistance will be on the capacity development of newly elected Members of the Municipal Assemblies and Presidents of the Municipalities, including iv) training initiatives and v) knowledge management production. The project will closely work with the Technical Secretariat for Electoral Administration (STAE) and National Commission on Elections (CNE), and will coordinate with the Ministry of State Administration and Territorial Organization.

2.3. Feasibility of the Project

2.3.1. Relevance

All components of this proposed project is in line with the SDG Goal 16 (Peace, Justice and Strong Institutions) and Strategic Development Plan of the Government of Timor-Leste. Ensuring good governance and combatting corruption is a goal which appears in Timor-Leste's Strategic Development Plan (2011-2030), especially under the section on "Good Governance" which provides for the adoption of whistle blower protection legislation to protect those who raise acts of corruption, fraud, and illegality in the workplace with authorities, as well as a Code of Conduct for members of the government outlining strict rules and duties in regard to conflicts of interests, communicable activity, and receipt of gifts. The section on "Public Financial Management" further emphasises the need for ongoing reform to establish a more efficient treasury with greater public transparency, which would in turn improve public sector delivery and spending as well as public financial reporting.

Decentralization is a constitutional call for action as well as a goal set out in the Strategic Development Plan (2011-2030), which describes the need to "promote the institutions of a strong, legitimate and stable state across Timor-Leste, create opportunities for local democratic participation by all citizens and establish more effective, efficient and equitable public service delivery to support the nation's social and economic development." The establishment of municipal government is explicitly mentioned as part of the process of creating a decentralized public administration which is more responsive to the needs of the local communities in Timor-Leste. The Municipal elections, planned for 2018/2019, will represent a milestone in the path toward effective decentralized administration across the country.

2.3.2. Effectiveness

The project covers three areas of governance - control of corruption (Component A), government effectiveness (Component B), and voice and democratic accountability (Component C), and addresses the issues concerned at national and municipal levels with strong and substantial participation from the community level. This comprehensive approach will increase the effectiveness of the project, and thus, the accountability of the Government of Timor-Leste. UNDP has the capacity to take this multifaceted approach as it is already involved in all of these areas and has effectively delivered its promised services to date. This long-term, committed partnership with the Government of Timor-Leste will help the project engage with decision-makers quickly, with low costs, and will have a positive influence on policy planning and implementation.

2.3.3. Efficiency

The components C (Municipal Elections) already has a team fully operating in UNDP Timor-Leste, and the other two components without a fully functional team (Anti-corruption and Decentralised Public Administration) have staff or experts currently working under the Democratic Governance Unit. The component C will be incorporated into the existing team, which will ensure the quality and cost-efficiency of the project implementation. There is also a possibility to share the cost of component B (Decentralized Public Administration) with the Government of Timor-Leste. UNDP will

request cost-sharing with the Government when it comes to the second phase of the project development and implementation in the priority areas. If this possibility is realised, the KOICA funding could be used as seed funding that will be efficiently scaled-up. In addition, a staff with the Korean nationality will coordinate and assure the quality of the project implementation and will also be responsible for public relations and communication with KOICA.

2.3.4. Impact

The short-term impacts would include immediate outputs of the activities, such as publication of manuals on the prevention of corruption, the development and/or implementation of quick impact projects at the local level, or peaceful and smooth running of the Municipal Elections. The mid-term impacts would be, as mentioned in the project objective, institutionalizing more accountable and strong state institutions and effective capacity built based on a learning by doing approach. At this stage, responsibilities would be clearly assigned to all levels of government through various mediums such as manuals, laws, or capacity building workshops. In the final stage, where the long-term effects of the project should manifest, government/elected officials would be held accountable based on improved capacities, tools, and a culture of transparency and accountability, and long-lasting peace and prosperity would be felt at the grassroots level on a daily basis. The full impacts of governance reform are rarely seen or experienced clearly in a short period of time, however, and measuring performance or accountability is extremely challenging. During the project period, the short-term impacts would be evaluated and reported.

2.3.5. Sustainability

The aims and results of this project are expected to maintain a high degree of sustainability after the project has concluded in 2019. Under Component A: Anti-Corruption, UNDP seeks to significantly develop (i) an overall climate that supports anti-corruption initiatives, (ii) improved capacity for CAC and other institutions and (iii) the mainstreaming of transparency and accountability by socializing relevant laws and regulations. All three of these changes are designed to produce long term and sustainable benefits post-2019. Under Component B: Supporting Effective Service Delivery and Decentralized Public Administration, UNDP's key objective is to develop the capacity of civil servants at the decentralized Municipal level through guided project development and management. By the end of the two years of this project cycle, the participating civil servants will be able to apply the same methodology to other areas by themselves and, in this way, the knowledge and experiences developed during the project will be sustained.

Under Component C: The assistance to Municipal Elections is the continuation of the support provided by LEARN to cover an entire suit of elections (Presidential, Parliamentary, Municipal and Suco) being held independently by Timor-Leste for the first time, and in doing so, building crucial capacity within state and local institutions. This support, over a whole electoral cycle, will have created an environment where both the government and citizens of Timor-Leste can become familiar

with inclusive and responsive electoral and political processes. The second outcome of Component C aims for the sustainability of the democratic accountability in the Municipal Assembly by providing essential capacity building training for newly elected President of the Municipality and Members of the Municipality Assembly. The component will also have a strong focus on social inclusion, delivered through civic education support to consolidate the constructive relationship between citizens and the government at the Municipality level and to entrench a culture of institutional responsiveness to the needs of vulnerable groups.

2.3.6. Cross-cutting issues

The three components of the project address essential and interlinked areas of governance all of which impact the accountability of the government. Strengthened accountability and good governance will have positive impacts across the political and social life of the people of Timor-Leste. The support to decentralization is to empower local authorities and citizens and reflect local perspectives in decision-making. This leads to the protection of the rights of local citizens, including vulnerable groups such as women and youth. The support for the Municipal Elections will provide civic education which elaborates electoral and political rights to vote and participate in political arenas, and ensures female voters are empowered to make their voices heard through the electoral processes. All of these efforts can be effectively upheld only when public sector transparency and integrity are safeguarded, which is where the anti-corruption component finds its intersection with cross-cutting issues.

3. Project Description

3.1. Goal and Objective

The goal of this project is to enable Timor-Leste to achieve sustainable peace and prosperity through strong institutions that deliver services in a more efficient, transparent, and inclusive manner to the people of Timor-Leste. The overarching objective of this project is to enhance the accountability of the public sector in Timor-Leste through institutional strengthening in the areas of anti-corruption, decentralized administration, and electoral assistance at the Municipal level.

These goal and objective are in line with the Timor-Leste Strategic Development Plan (2011-2030) as well as the 'United Nations Development Assistance Framework (UNDAF) for the Democratic Republic of Timor-Leste 2015-2019: Supporting Equitable and Sustainable Development in a Rising Young Nation'.¹⁴ The Governance Sector plan of the UNDAF is centred on the institutional strengthening in the areas of justice, security, oversight mechanism, and decentralization.

¹⁴ http://www.tl.undp.org/content/dam/timorleste/docs/UNDAF-Revised%2031Jul_signed.pdf

3.2. Expected Results

3.2.1. Logical framework of the project

Please see Problem and Solution Tree Diagram (Appendix 1) and Logical Framework (Appendix 2).

3.2.2. Expected outcomes and indicators

Component A: Anti-Corruption

- Outcome: A culture of transparency and rejection to corruption embedded in state institutions and citizens
- Indicator: Ratio of people who consider corruption as a serious problem

Component B: Supporting Effective Service Delivery and Decentralized Public Administration

- Outcome: Governance improved by promoting service delivery and participation of excluded groups including women and youth in the prioritization and investment of key areas in Municipalities
- Indicator: Two Pilot Municipalities developed capacities to promote participatory governance by selecting and implementing projects in the priority areas

Component C: Strengthening Democratic Participation and Citizenship at the Municipal Level

- Outcome 1: Strengthened capacity of STAE and CNE for transparent and inclusive Municipal elections in Timor-Leste
 - Voter Turnout in Municipality Elections
- Outcome 2: Newly elected Members of Municipality Assemblies and Presidents skilled to fulfil their political mandates and meet citizen expectations
 - The skills of the member of the Municipality Assemblies and Presidents of the Municipalities are enhanced to debate and amend draft laws

3.2.3. Expected outputs and indicators

Component A: Anti-Corruption

- Output 1.1: Key ministries' and Municipality civil servants' internal control mechanisms strengthened and transparency and accountability mechanisms adopted at the national and local levels
 - Indicator 1.1.1: National Anti-Corruption Strategy finalized and approved
 - Indicator 1.1.2: Municipality civil servants' awareness on ethics & integrity and regulations on procurement increased
 - Indicator 1.1.3: % of civil servants who deal with tax collection and licensing of foreign investment companies increased their knowledge on the prevention of corruption
- Output 1.2: Capacities of oversight institutions to promote corruption prevention and public

sector integrity increased

- Indicator 1.2.1: Manuals to promote integrity and inspectoral system in public sector developed and distributed to civil servants
- Indicator 1.2.2: Integrity Pact for Procurement agreed by all stakeholders and its implementation in place
- Output 1.3: Public commitment to address corruption and promote good governance and sustainable development strengthened through national awareness and dialogue initiatives
 - Indicator 1.3.1: Citizens' awareness of combatting corruption improved through outreach campaign

Component B: Supporting Effective Service Delivery and Decentralized Public Administration

- Output 1.1: Priority areas in each pilot Municipality identified and agreed, promoting participation of women and youth through the UNDP ART methodology
 - Indicator 1.1.1: At least one priority area for each pilot Municipality agreed by stakeholders including women and youth
- Output 1.2: Social impact projects designed and implemented at the local level, improving the service delivery capacity in each pilot Municipality
 - Indicator 1.2.1: At least one project developed and implemented for each pilot Municipality through participatory planning

Component C: Strengthening Democratic Participation and Citizenship at the Municipal Level

- Output 1.1: Enhanced civic knowledge, awareness, and engagement of citizens on the decentralization process at the Municipality level including competencies
 - Indicator 1.1.1: Development of strategy on civic education
 - Indicator 1.1.2: Percentage of invalid votes
- Output 1.2: Increased sustainability of voter registration system for Municipality Elections
 - Indicator 1.2.1: Number of people registered to vote in Municipality Elections
- Output 1.3: CNE and STAE are fully aware of the electoral legal framework for Municipality Elections to enhance transparency, accountability of the electoral process and ensure people's right to information
 - Indicator 1.3.1: Increase the legal capacity of CNE and STAE in regard to their compliance with Electoral Legal Framework for Municipality Elections
 - Indicator 1.3.2: Feasibility Study for CNE conducted and available
- Output 2.1: Capacity Development Plan for newly elected Municipality Assemblies and Presidents of the Municipalities designed and implemented
 - Indicator 2.1.1: Availability of Capacity Development Plan for newly elected Municipality Assemblies and Presidents of the Municipalities
- Output 2.2: Enhanced capacity of newly elected Municipality Assemblies and Presidents on

substantive skill required by their political mandate

- Indicator 2.2.1: Number of Knowledge Management products produced
- Indicator 2.2.2: Number of training initiatives delivered to newly elected Municipality Assemblies and Presidents of the Municipalities

3.3. Project Activities

Please see Logical Framework (Appendix 2).

3.4. Project Implementation

3.4.1. Implementation structure

The overall management of each component will be undertaken by UNDP under the Direct Implementation Modality (DIM). Under DIM, each component will be governed by UNDP Project and Operations Policies and Procedures (POPP).

Components incorporated into existing projects

Two of the components are likely to be incorporated into existing projects under UNDP. Component B: Supporting Effective Service Delivery and Decentralized Public Administration, is likely to be incorporated within the SNGDP Project. Component C: Strengthening Democratic Participation and Citizenship at the Municipal Level, is likely to be incorporated within the LEARN Project.

Where this is the case, all implementation of such components will be managed within the existing implementation and management structure of the relevant existing project.

Components that become new projects

As UNDP Timor-Leste does not currently manage a project including anti-corruption activities within its remit, Component A: Anti-Corruption will likely become a new project. This new project will be overseen by a National Project Manager, who will provide an overall review and management role over the new project. The Project Manager will be assisted by financial and training personal. Furthermore, a Korean professional, who will provide quality assurance and coordination support for all components, will also provide communication and reporting support with respect the new project.

Where new project is established, a new implementation framework will need to be established for any such new project. A new project would be implemented under this framework. The framework would follow this outline:

Project Management Board

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

National Project Manager

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

3.4.2. Legal status of participating organizations

UNDP will be the participating organization. UNDP has been formally engaged with the Government of Timor-Leste since 2002.

3.4.3. Responsibilities of cooperating organizations

Component A: Anti-Corruption

As this component will likely become a new project, cooperation will need to be initiated with all relevant cooperating organizations. The Commission on Anti-Corruption will be responsible for the practical programmes and initiatives, while UNDP's project team will be responsible for management, support, donor and stakeholder communications and quality control.

Component B: Supporting Effective Service Delivery and Decentralized Public Administration

As this component will likely be incorporated into the existing SNGDP Project, cooperation will continue to be managed under the current SNGDP framework. UNDP already has experience of cooperation with the Ministry of State Administration and Ministry of Planning and Strategic Investment under the SNGDP Project. The UNDP project team will also hire individual contractors where required to provide a particular service in the pilot Municipalities.

Component C: Strengthening Democratic Participation and Citizenship at the Municipal Level

As this component will likely be incorporated into the existing LEARN Project, cooperation will continue to be managed under the current LEARN framework. As a result, UNDP's project team will primarily provide support and advice to CNE, STAE, and MSA, as well as Civil Society Organizations partnering in the areas of the voter and civic education.

3.4.4. Communications plan among all stakeholders

All components, whether incorporated into existing projects as is expected for Components B and C, or whether developed into a new project as is expected for Components A, will follow the same communication plan. This is the standard UNDP communication plan that is applicable to all UNDP projects.

The primary form of communication with all stakeholders shall be the Project Management Board Meetings (PMB) as mentioned above. In addition, the National Project Management may seek to arrange additional meetings with stakeholders on a discretionary schedule.

3.4.5. Work plan and time frame

Please see Work Plan and Time Table (Appendix 3).

3.4.6. Budget plan (evidence-based)

Please see Budget Allocation (Appendix 4).

3.5. Result Management Plan

3.5.1. Risk management plan

Financial risk must be planned for across all components. The relevant project manager for each component will be responsible for managing the finances of that component and reporting any issues/discrepancies as soon as possible. The financial state of each component will be disclosed fully at the relevant PMB for each component. In addition, risks of particular concern for each component are set out below:

Component A: Anti-Corruption

The primary risk to this component is a change in political support for anti-corruption initiatives. UNDP will seek to work closely with the Government of Timor-Leste and all interested stakeholders to ensure that, where possible, support for anti-corruption initiatives is maintained. It has also been agreed among CAC, KOICA, and UNDP that the project will focus on prevention due to the political

sensitivity of the investigation aspect.

Component B: Supporting Effective Service Delivery and Decentralized Public Administration

The primary risk to this component is a change in political support for decentralized public administration, which is unlikely. UNDP will seek to work closely with the Government of Timor-Leste and all interested stakeholders to, where possible, ensure that support for decentralized public civil administration is maintained. The support of the project will also focus on service delivery and capacity development of civil servants, which is an essential element for public administration regardless of any politically-motivated potential changes to the decentralization policy.

Component C: Strengthening Democratic Participation and Citizenship at the Municipal Level

The primary risk to this component is the possibility of violence or unrest over the period of the municipal elections. The LEARN Project and the PNTL Project under UNDP both focus on the peaceful progress of elections in Timor-Leste and UNDP will work through both these project teams and with the government of Timor-Leste and prominent stakeholders to support peaceful municipal elections. Both LEARN and PNTL Projects had provided joint security workshops and peace marches in local communities in the lead up to the heavily contested Parliamentary Elections in July 2017, which were conducted without any major incidents.

3.5.2. Knowledge management plan

All components will follow the same knowledge management plan. Firstly, this plan will focus on 'Timorization', ensuring that knowledge is managed and distributed to the government counterparts and beneficiaries and secured within the institutional memory of Timorese institutions. Secondly, any existing expertise on a topic relevant to the implementation of a particular component will be used to better implement that component. For example, as the LEARN Project has significant expertise implementing election support in Timor-Leste, this knowledge will naturally be used to support Component C. Thirdly, UNDP will also liaise with any cooperating organizations to highlight experiences, challenges and learning that may be used to improve the implementation of this component. Fourthly, the PMB meetings will be used as a basis for identifying challenges and plans of action to overcome challenges and achieve successful implementation of this component.

3.5.3. Monitoring and evaluation plan

As per UNDP's internal regulation, all projects have to update their relevant data every three months to measure their progress against their targets and work plans. The qualitative and quantitative data will be collected and compiled by a project/M&E officer who will regularly visit project sites, interviewing the beneficiaries, receive data from the government counterparts, and conduct desk research. The relevant indicators, means of verification, source of data, and frequency of data

collection for each component have been identified as seen in Appendix 2. Logical Framework. Attached to this Logical Framework would be monitoring tools, which will be developed in the inception period of the project implementation or as the project implementation progresses. Such monitoring tools include field visit templates, a results framework, post-workshop evaluation, pre- and post-tests, questionnaires and surveys that will be designed according to the various monitoring requirements of the particular exercise and evaluation activities. It is important to note that measuring the progress of governance projects at the outcome level is not straightforward and is often challenging, unlike measuring the output level results. Progress in the governance sector is only visible when concerted efforts have been made for several years, and some credible data is often released publically within a three to five-year term. Despite these challenges, UNDP will focus on tangible results and the development of enabling conditions, where necessary, to ensure that the project progress is tracked and captured. The following are the monitoring and evaluation issues specifically relevant to each component:

Component A: Anti-Corruption

The baseline study of the project would be the 'Survey: Public Perceptions of Corruption in Timor-Leste', commissioned by CAC and conducted in 2015.¹⁵ This citizens' survey provides useful information and data, especially for the project's outcome indicator ('Ratio of people who consider corruption as a serious problem') and output 1.3 indicator ('Citizens' awareness of combatting corruption improved through outreach campaign'). The next round of the survey is expected in 2019, the final year of the project. The results of the survey would be one of the most timely and appropriate sources of data for the project.

Component B: Supporting Effective Service Delivery and Decentralized Public Administration

This component primarily aims to develop the capacity of civil servants from the pilot Municipalities, which will be measured by the outputs of four stages throughout the project duration: (i) the confirmation of the platform/working group, (ii) prioritization of sectors, (iii) defining the community projects, and (iv) the community project implementation and monitoring & reporting. In other words, the conventional ways of measuring one-off event capacity development training will not be applicable due to the component's mixed composition, with the local development aspect, and its participatory and inclusive approach. The final stage, community project implementation, will develop its own monitoring and evaluation framework tailored for its chosen sector.

Component C: Strengthening Democratic Participation and Citizenship at the Municipal Level

Strictly speaking, this component does not have a baseline data set to compare against since the Municipal Elections have never been conducted in the past and thus there is no pre-existing relevant

¹⁵ The same survey published in 2011 is only available online, which can be found at http://cac.tl/wp-content/uploads/2011/11/CP-Survey-Report_TL11-12.pdf (accessed 10 August 2017).

data. Therefore, data from different types of elections recently supported by UNDP, including Presidential or Parliamentary Elections, will be used as a baseline where possible.

3.5.4. Transition or Exit strategy

Component A: Anti-Corruption

By 2019, UNDP expects the following results from its three-pronged, interlinked approach to strengthening anti-corruption efforts in the country. First, an improvement in the overall desire of civil society and other stakeholders to address anti-corruption issues. Second, at the organizational level, CAC will have improved its capacity and its collaboration with other oversight institutions, specifically the civil service commission, PDHJ and the procurement commission to promote public sector integrity and accountability. Third, transparency and accountability will have been mainstreamed at the local level by socializing relevant laws and regulations, such as those on procurement and public-sector reforms, to actors at the local level, including municipal officers in charge of procurement, finance and logistics. All three of these goals are specifically focused on building capacity and 'buy-in' within Timor-Leste so that, once the component is completed, the Government of Timor-Leste, and civil society and relevant organizations, can continue to promote and support anti-corruption efforts.

Component B: Supporting Effective Service Delivery and Decentralized Public Administration

By 2019, civil servants receiving the capacity training as a member of the Working Group will have completed the whole cycle of project management, from setting priorities, project design and implementation to monitoring and reporting under the guidance of professional facilitators and sectoral specialists. This participatory approach and UNDP led trust building will also ensure that the voices of excluded groups are heard and reflected throughout the management of the project. Drawing on their hands-on experiences, the civil servants will be able to take initiatives by themselves, leading to smooth transitions.

Component C: Strengthening Democratic Participation and Citizenship at the Municipal Level

Following the completion of the Municipal Elections in 2018-2019, UNDP and LEARN will have worked with the Technical Secretariat for Electoral Administration (STAE) and National Commission on Elections (CNE) as well as the Ministry of State Administration and Territorial Organization to ensure that the municipal elections proceed as freely, smoothly and safely as possible. Once this is completed, Timor-Leste will have completed a full cycle of Timorese managed elections (Presidential, Parliamentary, Municipal and Suco) and will have gained significantly more experience in running elections of this nature.

3.6. Partnership with Donors

3.6.1. Meetings with KOICA country office in *Target Country*

The partnership between KOICA and UNDP Timor-Leste was forged when KOICA supported a UNDP project titled 'Mobilize Social Business to Accelerate Achievement of Timor-Leste MDGs (2012-2015)'. The project was successfully scaled-up at the end of the project period by the Government of Timor-Leste, expanding the waste management system (recycling) and a new Loan Guarantee scheme for SMEs (Small and Medium Enterprises) to the country level. In September 2016, UNDP hosted a low-key ceremony expressing its appreciation for KOICA's generous contributions to UNDP and other UN agencies in the country. In February 2017, the Head of the Democratic Governance Unit of UNDP invited the Director of KOICA Timor-Leste for a cordial coffee meeting and discussed the development and politics of the country in general.

With respect to the new cooperation between KOICA and UNDP under this proposal, several meetings have been conducted between the two agencies. In particular, a majority of the meetings between KOICA and government counterparts concerning the feasibility study were attended by either the Head of the Democratic Governance Unit or the Country Director of UNDP, stressing the significance of the support to each component of the proposal. The Country Director also had a separate meeting with KOICA, where he emphasized, based on his years of work experiences in developing countries that good governance was the foundation for social and economic development, as demonstrated by the Republic of Korea's own development. The Country Director expressed his wish to further strengthen the cooperation between UNDP and KOICA/Republic of Korea.

3.6.2. Plan for Reporting, meeting, ceremony (and etc.)

In reporting on this Project, UNDP will adhere to the KOICA standard reporting procedure and templates provided by KOICA. Specifically, UNDP will submit biannual updates of the project progress and annual reports which include the financial summary. After the end of the project period, the final report accompanied with the financial statement covering the whole project period will be submitted.

UNDP will follow, as set out above, its standard meeting procedure for each of the three components. Under this procedure, there will be a Project Management Board Meeting for each of the components either once or twice a year. In addition, project managers of each component may seek to hold additional meetings on a discretionary schedule with KOICA or stakeholders to more frequently update the project progress. With respect to ceremonies, a launching ceremony that encompasses all three components will be held at the beginning of the project. Each component will invite KOICA representatives for any ceremonial occasions that mark significant progress of the project.

3.6.3. Visibility and public relations plan

Donor visibility is an important part of all UNDP projects. KOICA branding will be present on all commercials, billboards, hoardings, posters, fliers, brochures and other materials produced under any of the four components. Where any event or activity is undertaken under any of the four components, KOICA's support will be recognized appropriately.

The public relations plan for each component will be managed by the UNDP team responsible for that component. UNDP has significant experience in liaising with local and international media, preparing and distributing press briefings and updating social media as part of an integrated communications operation.

Appendix 1. Problem and Solution Tree Diagram

	Causes	Causal consequences	Problems to be solved	Activities to solve defined problems	Outputs	Outcomes	Objective	Goal
Anti-Corruption (Component A)	A lack of strong work ethic and self-discipline among civil servants	Alleged corruption cases, both small-scale and larger, in the civil service	Prevalence of corrupt practices in the public sector of Timor-Leste	Activity 1.1.1 Finalize the National Anti-Corruption Strategy	Output 1.1 Key ministries' and Municipality civil servants' internal control mechanisms strengthened and transparency and accountability mechanisms adopted at the national and local levels	A culture of transparency and rejection to corruption embedded in state institutions and citizens	Enhancing the accountability of the public sector in Timor-Leste through institutional strengthening in the areas of anti-corruption, decentralized administration, and electoral assistance at the Municipal level	Enabling Timor-Leste to achieve sustainable peace and prosperity through strong institutions that deliver services in a more efficient, transparent, and inclusive manner to the people of Timor-Leste
				Activity 1.1.2 Conduct Awareness-raising seminars on ethics & integrity and regulations on procurement at all Municipalities				
				Activity 1.1.3 Conduct a seminar for civil servants (SERVE) on preventing corruption in tax collection and licensing of foreign investment companies				
	A lack of guidelines/regulation for civil servants in public administration	Arbitrary and unregulated administration with corruption problem		Activity 1.2.1 Develop Manuals on values & integrity and inspection & monitoring for civil servants	Output 1.2 Capacities of oversight institutions to promote corruption prevention and public sector integrity increased			
				Activity 1.2.2 Develop a consensus on the Integrity Pact for Procurement among stakeholders				
	A lack of knowledge on and commitment to anti-corruption among citizens	Few civil society watchdog organizations present; Possibility of diffusion of corrupt behavior among citizens		Activity 1.3.1 Broadcast TV/Radio talk shows on the prevention of corruption	Output 1.3 Public commitment to address corruption and promote good governance and sustainable development strengthened through national awareness and dialogue initiatives			
Activity 1.3.2 Conduct a youth workshop on the prevention of corruption								

Supporting Effective Service Delivery and Decentralized Public Administration (Component B)	A short history of governance; A lack of human and financial resources	Low capacity of civil servants in local governments	Low quality service delivery of civil servants	Activity 1.1.1 Implementation of the UNDP-ART methodology (Working Group)	Output 1.1 Priority areas in each pilot Municipality identified and agreed, promoting participation of women and youth through the UNDP ART methodology	Governance improved by promoting service delivery and participation of excluded groups including women and youth in the prioritization and investment of key areas in Municipalities	
				Activity 1.1.2 Analyze key sectors and prioritize projects in support of facilitators			
				Activity 1.2.1 Define and design projects in support of sectoral experts			Output 1.2 Social impact projects designed and implemented at the local level, improving the service delivery capacity in each pilot Municipality
				Activity 1.2.2 Implement and monitor the projects in support of facilitators			
Strengthening Democratic Participation and Citizenship	The first elections on the Municipal level in the history of Timor-Leste	A lack of knowledge among citizens on the roles and responsibilities of the local governments; Little experiences in STAE and CNE in the management of elections on the Municipal level	A possibility of low voter turnout and thus a lack of democratic accountability of those elected; Delays in effective decentralization	Activity 1.1.1 Assist CNE in developing an inclusive civic education strategy for decentralization process and Municipality Elections that focuses on civic and political rights, especially for the most vulnerable (women, youth and people with disabilities)	Output 1.1 Enhanced civic knowledge, awareness, and engagement of citizens on the decentralization process at the Municipality level including competencies	Strengthened capacity of STAE and CNE for the conduct of transparent and inclusive Municipality Elections in Timor-Leste (Outcome 1); Newly elected Members of Municipality Assemblies and	
				Activity 1.1.2 Assist STAE to develop and implement a voter education strategy and plan			
				Activity 1.2.1 Assist STAE in keeping updated the voter registration system at Municipal level	Output 1.2 Increased sustainability of voter		

<p>p at the Municipal Level (Component C)</p>				<p>registration system for Municipality Elections</p>	<p>Presidents skilled to fulfil their political mandates and meet citizen expectations (Outcome 2)</p>
			<p>Activity 1.3.1 Support the legal capacity of CNE and STAE to interpret and comply with the new electoral legal framework on decentralization and Municipality Elections</p>	<p>Output 1.3 CNE and STAE are fully aware of the electoral legal framework for Municipality Elections to enhance transparency, accountability of the electoral process and ensure people's right to information</p>	
			<p>Activity 1.3.2 Conduct a feasibility study for CNE based on Electoral best practices and standards, with focus on the electoral legal framework and procedures</p>		
	<p>Low capacity of the newly elected Presidents of Municipalities and Members of Municipal Assemblies</p>	<p>Poor performance of the local government and Municipal Assemblies; Delays in effective decentralization</p>	<p>Activity 2.1.1 Design and implement Capacity Development Plan for newly elected Municipality Assemblies and Presidents of the Municipalities</p>	<p>Output 2.1 Capacity Development Plan for newly elected Municipality Assemblies and Presidents of the Municipalities designed and implemented</p>	
			<p>Activity 2.2.1 Support the production of knowledge management products to</p>	<p>Output 2.2 Enhanced capacity of</p>	

				ensure knowledge sharing and learning opportunities within Municipality Assemblies	newly elected Municipality Assemblies and Presidents on substantive skills required by their political mandate		
				Activity 2.2.2 Support relevant training initiatives tailored for newly elected Municipality Assemblies and Presidents of the Municipalities on thematic areas outlined in the capacity development plan (effective communication, legal analytical skills, leadership, professional ethics, among others)			

Appendix 2. Logical Framework

Project Name	<i>Enhancing public sector accountability through institutional strengthening in anti-corruption and decentralization</i>
Goal	Timor-Leste achieves sustainable peace and prosperity through strong institutions that deliver services in a more efficient, transparent, and inclusive manner to the people of Timor-Leste.
Objectives	Enhancing the accountability of the public sector in Timor-Leste through institutional strengthening in the areas of anti-corruption, electoral assistance, decentralized administration, and legal and judicial training.

Component A: Anti-Corruption

Outcome	Indicator	Baseline	Target	Means of Verification	Source of data	Frequency of data collection				
A culture of transparency and rejection to corruption embedded in state institutions and citizens	Ratio of people who consider corruption as a serious problem	77% of responders (2015)	185%	Public Perception Survey (CAC)	Public Perception Survey (CAC)	The next survey to be published in 2019-2020	Activities			
Output 1	Indicator 1.1.1	Baseline	Target	Means of Verification	Source of data	Frequency of data collection	Activity 1.1.1	Responsible Party	Planned Target (2018-2019)	Planned Target (2018)
Key ministries' and Municipality civil servants' internal control mechanisms strengthened and transparency and accountability mechanisms adopted at the national and local levels	National Anti-Corruption Strategy finalized and approved	0 (2017)	1	CAC and UNDP's monitoring activity	CAC	Once	Finalize the National Anti-Corruption Strategy	CAC	1	TBC
	Indicator 1.1.2	Baseline	Target	Means of Verification	Source of data	Frequency of data collection	Activity 1.1.2	Responsible Party	Planned Target (2018-2019)	Planned Target (2018)
	Municipality civil servants' awareness on ethics & integrity and regulations on procurement increased	64.2% of respondents believes corruption exists in procurement services (proxy baseline) (2015)	90% of participants of capacity building workshops have increased their knowledge on ethics & integrity	CAC and UNDP's monitoring activity; Public Perception Survey (CAC)	CAC	Quarterly	Conduct Awareness-raising seminars on ethics & integrity and regulations on procurement at all Municipalities	CAC	In all 13 Municipalities	4 Municipalities (Q2-Q4)

			and regulations on procurement.							
	Indicator 1.1.3	Baseline	Target	Means of Verification	Source of data	Frequency of data collection	Activity 1.1.3	Responsible Party	Planned Target (2018-2019)	Planned Target (2018)
	% of civil servants who deal with tax collection and licensing of foreign investment companies increased their knowledge on the prevention of corruption	N/A	80%	Public Perception Survey (CAC)	CAC	Quarterly	Conduct a seminar for civil servants (SERVE) on preventing corruption in the tax collection and licensing of foreign investment companies	CAC	A two-day seminar (2018)	A two-day seminar (2018)
Output 1.2	Indicator 1.2.1	Baseline	Target	Means of Verification	Source of data	Frequency of data collection	Activity 1.2.1	Responsible Party	Planned Target (2018-2019)	Planned Target (2018)
	Manuals to promote integrity and inspectoral system in public sector developed and distributed to civil servants	0 (2017)	2	CAC and UNDP's monitoring activity	CAC	Quarterly	Develop Manuals on value & integrity and inspection & monitoring for civil servants	CAC	Two Manuals	Two Manuals
	Indicator 1.2.2	Baseline	Target	Means of Verification	Source of data	Frequency of data collection	Activity 1.2.2	Responsible Party	Planned Target (2018-2019)	Planned Target (2018)
Capacities of oversight institutions to promote corruption prevention and public sector integrity increased	Integrity Pact for Procurement agreed by all stakeholders and its implementation in place	0 (2017)	1	CAC and UNDP's monitoring activity	CAC	Quarterly	Develop a consensus on the Integrity Pact for Procurement among stakeholders	CAC	Arriving at consensus (2019)	0

Output 1.3	Indicator 1.3.1	Baseline	Target	Means of Verification	Source of data	Frequency of data collection	Activity 1.3.1	Responsible Party	Planned Target (2018-2019)	Planned Target (2018)
Public commitment to address corruption and promote good governance and sustainable development strengthened through national awareness and dialogue initiatives	Citizens' awareness of combating corruption improved through outreach campaign	25% (% of people who do not know what corruption is) (2015)	15%	Public Perception Survey (CAC)	CAC	Quarterly	Broadcast TV/Radio talk shows on the prevention of corruption	CAC	4 shows per year	4 shows

Component B: Supporting Effective Service Delivery and Decentralized Public Administration

Outcome	Indicator	Baseline	Target	Means of Verification	Source of data	Frequency of data collection				
Governance improved by promoting service delivery and participation of excluded groups including women and youth in the prioritization and investment of key areas in Municipalities	2 Municipalities developed capacities to promote participatory governance by selecting and implementing projects in the priority areas	0 (2017)	2 (2019)	UNDP's monitoring activity	UNDP, MSA	Annual	Activities			
Output 1.1	Indicator 1.1.1	Baseline	Target	Means of Verification	Source of data	Frequency of data collection	Activity 1.1.1	Responsible Party	Planned Target (2018-2019)	Planned Target (2018)

Priority areas in each pilot Municipality identified and agreed, promoting participation of women and youth through the UNDP ART methodology	At least one priority area for each pilot Municipality agreed by stakeholders including women and youth	0 (2017)	2 (2019)	UNDP's monitoring activity	UNDP, MSA, Pilot Municipalities	Quarterly	Implementatio n of the UNDP-ART methodology (Working Group)	UNDP	1 Working Group confirmed per Municipality (2018)	1 Working Group confirmed per Municipality
							Activity 1.1.2	Responsible Party	Planned Target (2018-2019)	Planned Target (2018)
							Analyze key sectors and prioritize projects in support of facilitators	UNDP	1-2 projects in priority areas per Municipality (2018)	1-2 projects in priority areas per Municipality settled
Output 1.2	Indicator 1.2.1	Baseline	Target	Means of Verification	Source of data	Frequency of data collection	Activity 1.2.1	Responsible Party	Planned Target (2018-2019)	Planned Target (2018)
Social impact projects designed and implemented at the local level, improving the service delivery capacity in each pilot Municipality	At least one project developed and implemented for each Municipality through participatory planning	0 (2017)	2 (2019)	UNDP's monitoring activity	UNDP, MSA, Pilot Municipalities	Quarterly	Define and design projects in support of sectoral experts	UNDP	1-2 projects developed per Municipality (2018-2019)	1-2 projects developed per Municipality (2018-2019)
							Activity 1.2.2	Responsible Party	Planned Target (2018-2019)	Planned Target (2018)
							Implement and monitor the projects in support of facilitators	UNDP	1-2 projects implemented per Municipality (2019)	N/A

Component C: Strengthening Democratic Participation and Citizenship at the Municipal Level

Outcome 1	Indicator 1.1	Baseline	Target	Means of Verification	Source of data	Frequency of data collection	Activities
Strengthened capacity of STAE and CNE for the conduct of transparent and inclusive Municipality	Voter Turnout in Municipality Elections	71% (Voter Turnout in 2017 Presidential Elections)	75% Voter Turnout in Municipality Elections	STAE/CNE archives	STAE/CNE	Yearly	

Elections in Timor-Leste										
Output 1.1	Indicator 1.1.1	Baseline	Target	Means of Verification	Source of data	Frequency of data collection	Activity 1.1.1	Responsible Party	Planned Target (2018-2019)	Planned Target (2018)
Enhanced civic knowledge, awareness, and engagement of citizens on the decentralization process at the Municipality level including competencies	Development of strategy on civic education	Currently no civic education strategies in STAE, CNE or CSOs	STAE and CNE have developed and implemented a civic education strategy	Project Quarterly Progress Reports STAE/CNE archives	UNDP/STAE/CNE	Quarterly	Assist CNE in developing an inclusive civic education strategy for decentralization process and Municipality Elections that focuses on civic and political rights, especially for the most vulnerable (women, youth and people with disabilities)	UNDP/STAE/CNE		
	Indicator 1.1.2	Baseline	Target	Means of Verification	Source of data	Frequency of data collection	Activity 1.1.2	Responsible Party	Planned Target (2018-2019)	Planned Target (2018)
	Percentage of invalid votes	1.7% of invalid votes in 2017 Presidential Elections	1.5% of invalid votes in Municipality Elections	Project Quarterly Progress Reports STAE/CNE archives	UNDP/STAE/CNE	Quarterly	Assist STAE to develop and implement a voter education strategy and plan	UNDP/STAE/CNE		

Output 1.2	Indicator 1.2.1	Baseline	Target	Means of Verification	Source of data	Frequency of data collection	Activity 1.2.1	Responsible Party	Planned Target (2018-2019)	Planned Target (2018)
Increased sustainability of voter registration system for Municipality Elections	Number of people registered to vote in Municipality Elections	762,733 (registered in-country voters for 2017 Parliamentary Elections)	770,360 (registered in-country voters for Municipality Elections)	Project Quarterly Progress Reports STAE/CNE archives	UNDP/STAE/CNE	Quarterly	Assist STAE in keeping updated the voter registration system at Municipal level	UNDP/STAE/CNE		
Output 1.3	Indicator 1.3.1	Baseline	Target	Means of Verification	Source of data	Frequency of data collection	Activity 1.3.1	Responsible Party	Planned Target (2018-2019)	Planned Target (2018)
CNE and STAE are fully aware of the electoral legal framework for Municipality Elections to enhance transparency, accountability of the electoral process and ensure people's right to information	Increase of the legal capacity of CNE and STAE in regard to their compliance with Electoral Legal Framework for Municipality Elections	N/A	N/A	Project Quarterly Progress Reports STAE/CNE archives	UNDP/STAE/CNE	Quarterly	Support CNE and STAE legal capacity to interpret and comply with the new electoral legal framework on decentralization and Municipality Elections	UNDP/STAE/CNE		
	Indicator 1.3.2	Baseline	Target	Means of Verification	Source of data	Frequency of data collection	Activity 1.3.2	Responsible Party	Planned Target (2018-2019)	Planned Target (2018)
	Feasibility Study for CNE conducted and available	N/A	A review of the Electoral Legal Framework, as part of the	Project Quarterly Progress Reports STAE/CNE archives	UNDP/STAE/CNE	Quarterly	Conduct a feasibility study for CNE based on Electoral best practices and standards, with focus on	UNDP/CNE	Feasibility Study for CNE conducted and available	

			feasibility study, is available to be discussed between Electoral Stakeholders				the electoral legal framework and procedures			
Outcome 2	Indicator 2.1	Baseline	Target	Means of Verification	Source of data	Frequency of data collection	Activities			
Newly elected Municipality Assemblies and Presidents of the Municipalities are skilled to fulfil their political mandates and meet citizen expectations	The skills of the member of the Municipality Assemblies and Presidents of the Municipalities are enhanced to debate and amend draft laws	N/A (Municipality Elections to be conducted in 2018/2019)	N/A (Municipality Elections to be conducted in 2018/2019)	Project Quarterly Progress Reports MSA archives	UNDP/MSA	Quarterly				
Output 2.1	Indicator 2.1.1	Baseline	Target	Means of Verification	Source of data	Frequency of data collection	Activity 2.1.1	Responsible Party	Planned Target (2018-2019)	Planned Target (2018)
Capacity Development Plan for newly elected Municipality Assemblies and Presidents of the Municipalities designed and	Availability of Capacity Development Plan for newly elected Municipality Assemblies and Presidents of the	N/A (Municipality Elections to be conducted in 2018/2019)	Capacity Development Plan for newly elected Municipality Assemblies and Presidents of the Municipa	Project Quarterly Progress Reports MSA archives	UNDP/MSA	Quarterly	Design and implement Capacity Development Plan for newly elected Municipality Assemblies and Presidents of the Municipalities	UNDP		

implemented	Municipalities		ities is available							
Output 2.2	Indicator 2.2.1	Baseline	Target	Means of Verification	Source of data	Frequency of data collection	Activity 2.2.1.	Responsible Party	Planned Target (2018-2019)	Planned Target (2018)
Enhanced capacity of newly elected Municipality Assemblies and Presidents on substantive skill required by their political mandate	Number of Knowledge Management products produced	N/A (Municipality Elections to be conducted in 2018/2019)	N/A (Municipality Elections to be conducted in 2018/2019)	Project Quarterly Progress Reports MSA archives	UNDP/MSA	Quarterly	Support the production of knowledge management products to ensure knowledge sharing and learning opportunities within Municipality Assemblies	UNDP		
	Indicator 2.2.2	Baseline	Target	Means of Verification	Source of data	Frequency of data collection	Activity 2.2.2	Responsible Party	Planned Target (2018-2019)	Planned Target (2018)

	Number of training initiatives delivered to newly elected Municipality Assemblies and Presidents of the Municipalities	N/A (Municipality Elections to be conducted in 2018/2019)	N/A (Municipality Elections to be conducted in 2018/2019)	Project Quarterly Progress Reports MSA archives	UNDP/MSA	Quarterly	Support relevant training initiatives tailored for newly elected Municipality Assemblies and Presidents of the Municipalities on thematic areas outlined in the capacity development plan (effective communication, legal analytical skills, leadership, professional ethic, among others)	UNDP		
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Appendix 3. Work Plan and Time Table (Detailed)

Component A: Anti-Corruption

Outputs	Activities	2017				2018				2019			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Output 1.1	Activity 1.1.1					x	x	x	x				
	Activity 1.1.2						x	x	x	x	x	x	x
	Activity 1.1.3						x	x	x				
Output 1.2	Activity 1.2.1					x	x	x	X				
	Activity 1.2.2									x	x	x	x
Output 1.3	Activity 1.3.1					x	x	x	x	x	x	x	x
	Activity 1.3.2						x	x	x				

Outputs/Activities	Quantity/Type	Participants	Beneficiaries	Remarks
Output 1.1: Key ministries' and Municipality civil servants' internal control mechanisms strengthened and transparency and accountability mechanisms adopted at the national and local levels				
Activity 1.1.1: Finalize the National Anti-Corruption Strategy	1/Government Policy Guidelines	CAC staff; International Specialist; Working Group	Civil Servants; General Public	
Activity 1.1.2: Conduct Awareness-raising seminars on ethics & integrity and regulations on procurement at all Municipalities	13/ Awareness-raising seminars	Civil servants on the Municipality level	Civil servants on the Municipality level; General Public	
Activity 1.1.3: Conduct a seminar for civil servants (SERVE) on preventing corruption in the tax collection and licensing of foreign investment companies	1/ Awareness-raising seminars	Civil servants of the SERVE office (Ministry of Justice)	Civil servants of the SERVE office; Foreign investment companies	

Output 1.2: Capacities of oversight institutions to promote corruption prevention and public sector integrity increased				
Activity 1.2.1: Develop Manuals on value & integrity and inspection & monitoring for civil servants	2/Manuals	CAC staff; International Specialist; National Specialist	Civil Servants; General Public	
Activity 1.2.2: Draw a consensus on the Integrity Pact for Procurement among stakeholders	1/ Integrity Pact for Procurement	CAC staff; International Specialist	Civil Servants; General Public	
Output 1.3: Public commitment to address corruption and promote good governance and sustainable development strengthened through national awareness and dialogue initiatives				
Activity 1.3.1: Broadcast TV/Radio talk shows on the prevention of corruption	8/media advocacy	CAC staff	General Public	
Activity 1.3.2: Conduct a youth workshop on the prevention of corruption	1/ Awareness-raising campaign	60 young people	Youth participants	

Component B: Supporting Effective Service Delivery and Decentralized Public Administration

Outputs	Activities	2017				2018				2019			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Output 1.1	Activity 1.1.1					x	x	x	x	x	x	x	x
	Activity 1.1.2						x	x	x				
Output 1.2	Activity 1.2.1							x	x	x	x		
	Activity 1.2.2									x	x	x	x

Outputs/Activities	Quantity/Type	Participants	Beneficiaries	Remarks
Output 1.1: Priority areas in each pilot Municipality identified and agreed, promoting participation of women and youth through the UNDP ART methodology				
Activity 1.1.1: Implementation of the UNDP-ART methodology (Working Group)	1 per Municipality	Municipality civil servants; Stakeholders (community leaders, representatives of vulnerable groups); Facilitator	Municipality civil servants; Community members	

Activity 1.1.2: Analyse key sectors and prioritize projects in support of facilitators	1-2 projects per Municipality	Municipality civil servants; Stakeholders (community leaders, representatives of vulnerable groups); Facilitator	Municipality civil servants; Community members
Output 1.2: Social impact projects designed and implemented at the local level, improving the service delivery capacity in each pilot Municipality			
Activity 1.2.1: Define and design projects in support of sectoral experts	1-2 projects per Municipality	Municipality civil servants; Stakeholders (community leaders, representatives of vulnerable groups); Sectoral experts	Municipality civil servants; Community members
Activity 1.2.2: Implement and monitor the projects in support of facilitators	1-2 projects per Municipality	Municipality civil servants; Stakeholders (community leaders, representatives of vulnerable groups); Facilitator	Municipality civil servants; Community members

Component C: Strengthening Democratic Participation and Citizenship at the Municipal Level

Outputs	Activities	2017				2018				2019			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Output 1.1 Output 1.2 Output 1.3	Activity 1.1.1					x	x	x	x	x			
	Activity 1.1.2					x	x	x	x	x			
	Activity 1.2.1					x	x	x	x	x			
	Activity 1.3.1					x	x	x	x	x	x	x	x
	Activity 1.3.2					x	x	x	x				

Output 2.1 Output 2.2	Activity 2.1.1									x	x	x	x
	Activity 2.2.1									x	x	x	x
	Activity 2.2.2									x	x	x	x

Outputs/Activities	Quantity/Type	Participants	Beneficiaries	Remarks
Output 1.1: Enhanced civic knowledge, awareness, and engagement of citizens on the decentralization process at the Municipality level including competencies				
Activity 1.1.1: Assist CNE in developing an inclusive civic education strategy for decentralization process and Municipality Elections that focuses on civic and political rights, especially for the most vulnerable (women, youth and people with disabilities)	Technical Assistance on Civic Education	National Commission for Elections (CNE); Civil Society	Entire Voters Population Youth and women representatives at the local level General public	
Activity 1.1.2: Assist STAE to develop and implement a voter education strategy and plan	Technical Assistance on Voter Education	Technical Secretariat for Electoral Administration (STAE)	Entire Voters Population Youth and women representatives at the local level General public	
Output 1.2: Increased sustainability of voter registration system for Municipality Elections				
Activity 1.2.1: Assist STAE in keeping updated the voter registration system at Municipal level	Technical Assistance in Voters Registration	Technical Secretariat for Electoral Administration (STAE)	Entire Voters Population Youth and women representatives at the local level General public	
Output 1.3: CNE and STAE are fully aware of the electoral legal framework for Municipality Elections to enhance transparency, accountability of the electoral process and ensure people's right to information				
Activity 1.3.1: Support CNE and STAE legal capacity to interpret and comply with the new electoral legal framework on decentralization and Municipality Elections	Electoral Legal Support	Technical Secretariat for Electoral Administration (STAE); National Commission for Elections (CNE)	Entire Voters Population Youth and women representatives at the local level General public	

Activity 1.3.2: Conduct a feasibility study for CNE based on Electoral best practices and standards, with focus on the electoral legal framework and procedures	Feasibility Study for CNE	National Commission for Elections (CNE)	Entire Voters Population Youth and women representatives at the local level General public
Output 2.1: Capacity Development Plan for newly elected Municipality Assemblies and Presidents of the Municipalities designed and implemented			
Activity 2.1.1: Design and implement Capacity Development Plan for newly elected Municipality Assemblies and Presidents of the Municipalities	Technical Assistance; Training; Workshops	Municipal Assemblies and respective Presidents	Newly elected Municipal Presidents and Municipal Assemblies' members
Output 2.2: Enhanced capacity of newly elected Municipality Assemblies and Presidents on substantive skill required by their political mandate			
Activity 2.2.1: Support the production of knowledge management products to ensure knowledge sharing and learning opportunities within Municipality Assemblies	Technical Assistance on Knowledge Management	Municipal Assemblies and respective Presidents	Newly elected Municipal Presidents and Municipal Assemblies' members
Activity 2.2.2: Support relevant training initiatives tailored for newly elected Municipality Assemblies and Presidents of the Municipalities on thematic areas outlined in the capacity development plan (effective communication, legal analytical skills, leadership, professional ethic, among others)	Technical Assistance; Training; Workshops	Municipal Assemblies and respective Presidents	Newly elected Municipal Presidents and Municipal Assemblies' members

Appendix 4. Budget Allocation

	Outputs	Activities	2017					2018					2019					TOTAL	
			1Q	2Q	3Q	4Q	USD	1Q	2Q	3Q	4Q	USD	1Q	2Q	3Q	4Q	USD	USD	
Anti-Corruption (Component A)	Output 1.1	Activity 1.1.1						x	x	x	x		x						
		Activity 1.1.2							x	x	x	168,100	x	x	x	x	69,200	237,300	
		Activity 1.1.3							x	x	x								
	Output 1.2	Activity 1.2.1						x	x	x		106,100		x	x	x			
		Activity 1.2.2									x		x				24,100	130,200	
	Output 1.3	Activity 1.3.1						x	x	x	x	14,000	x	x	x	x	14,000	28,000	

	Activity 1.3.2							x	x	x	10,400					0	10,400	
	Total Cost of Activities A						x	x	x	x	298,600	x	x	x	x	107,300	405,900	
	Project Support Cost A				x	1,000	x	x	x	x	19,524	x	x	x	x	20,524	41,048	
	Total					1,000					318,124					127,824	446,948	
Supporting the Decentralized Public Administration (Component B)	Output 1.1	Activity 1.1.1 Activity 1.1.2					x	x	x	x	162,518	x	x	x	x	147,318	309,836	
	Output 1.2	Activity 1.2.1 Activity 1.2.2							x	x	93,290	x	x	x	x	150,500	243,790	
	Total Cost of Activities B						x	x	x	x	255,808	x	x	x	x	297,818	553,626	
	Project Support Cost B				x	1,000	x	x	x	x	19,500	x	x	x	x	20,500	41,000	
	Total					1,000					275,308					318,318	594,626	
Promoting Democratic Participation on the Municipal Level (Component C)	Output 1.1	Activity 1.1.1					x	x	x	x	72,000	x				62,716	134,716	
		Activity 1.1.2					x	x	x	x	100,000	x				50,000	150,000	
	Output 1.2	Activity 1.2.1					x	x	x	x	66,000	x				62,710	128,710	
	Output 1.3	Activity 1.3.1					x	x	x	x	80,000	x	x	x	x	25,000	105,000	
		Activity 1.3.2					x	x	x	x	30,000					0	30,000	
	Output 2.1	Activity 2.1.1									0	x	x	x	x	56,000	56,000	
	Output 2.2	Activity 2.2.1										0	x	x	x	x	52,000	52,000
		Activity 2.2.2										0	x	x	x	x	52,000	52,000
	Total Cost of Activities C						x	x	x	x	348,000	x	x	x	x	360,426	708,426	
Project Support Cost C						x	x	x	x	0	x	x	x	x	0	0		
Total										348,000					360,426	708,426		
Total Cost of Activities (Components A,B, and C)						0					902,408					765,544	1,667,952	
Project Support Cost (Components A,B, and C)						2,000					39,024					41,024	82,048	
GMS (8%)						160					75,315					64,525	140,000	
DPC						80					57,657					52,263	110,000	
Grand TOTAL						2,240					1,074,404					923,356	2,000,000	