



## Project Document

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**Strengthening Community Access to Quality Infrastructure (SCAQI):  
- Market and School Building in Enclave District of Oecusse**

July 2009

**United Nations Development Programme  
Country: Timor-Leste  
Project Document**

<b>Project Title</b>	<b>Strengthening Community Access to Quality Infrastructure (SCAQI) - Market and School Building in Enclave District of Oecusse</b>
<b>UNDAF Outcome(s):</b>	By 2013, vulnerable groups experience significant improvement in sustainable livelihoods, poverty reduction and disaster risk management within an overarching crisis prevention and recovery context.
<b>Expected CPD/CPAP Outcome(s):</b> <i>(Those linked to the project and extracted from the CP)</i>	<b>Outcome 3:</b> Vulnerable groups have improved access to livelihoods
<b>Expected Output(s):</b> <i>(Those that will result from the project)</i>	<b>Output:</b> contributing to attainment of CPAP Output 3.2 By 2013, capacities enhanced for strengthening self-help groups to undertake agro-based rural livelihoods, community-driven, productivity-enhancing small rural works with special focus on women with specific outputs: <b>Output 1:</b> Provide access to: clean water, sanitation facilities, market for market users and goods, and better security in the market through use of sustainable/alternative energy system, in Tono Market and the neighbouring community; and <b>Output 2:</b> Improved school safety from possible land slides in the target areas.
<b>Responsible Party: Implementing Partner:</b>	Minister of Economy and Development [MoED] UNDP Timor-Leste

**Brief Description**

The enclave district of Oecusse is geographically isolated with little access to markets, communications or services. The objective of this Project is to provide support to the people of Oecusse to achieve the national development goals, through provision of quality infrastructure. This will include improved access of the Tono market users and the community to clean water and sanitation, and improved security and safety in the market through provision of well-lit and safe market conditions. In addition, vulnerability of one public school from land slides will be minimized. This project is expected to contribute to attainment of CPAP Output 3.2 By 2013, capacities enhanced for strengthening self-help groups to undertake agro-based rural livelihoods, community-driven, productivity-enhancing small rural works with special focus on women with specific outputs of Output 1: Provide access to: clean water, sanitation facilities, market for market users and goods, and better security in the market through use of sustainable/alternative energy system, in Tono Market and the neighbouring community. And Output 2: improved school safety from possible land slides in the target areas.

Programme Period: 2009 - 20013  
Key Result Area (Strategic Plan) \_\_\_\_\_  
Atlas Award ID: \_\_\_\_\_  
Start date: August 2009  
End Date: August 2010  
PAC Meeting Date: April 28, 2009  
Management Arrangements: UNDP  
Implementation

Total resources required	<u>US\$ 150,000.00</u>
Total allocated resources:	_____
• Regular (TRAC1)	_____
• Other:	
○ Donor	_____
○ Government	_____
○ PTF	<u>US\$ 150,000.00</u>
Unfunded budget:	_____
In-kind Contributions:	_____

Agreed by the Government: \_\_\_\_\_

Agreed by UNDP/ Implementing Partner: \_\_\_\_\_

**AKBAR USMANI**  
COUNTRY DIRECTOR

*Akbar Usmani*  
2/2/09

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## ACRONYMS

CSO	Civil Society Organization
OCAP	Oecusse Ambeno Community Activation Programme
DIM	Direct Implementation Modality
EC	European Commission
GDP	Gross Domestic Product
HDR	Human Development Report
M&E	Monitoring and Evaluation
MDG	Millennium Development Goal
NGO	Non Governmental Organization
NDP	National Development Plan
PSC	Project Steering Committee
PWC	Project Working Committee
PTTF	Poverty Thematic Trust Fund
SAS	Servisu Agua e' Saniamento (Water Supply and Sanitation Dept)
TRAC	Target Resource Assignment for the Core
UNDP	United Nations Development Programme
UNV	United Nations Volunteer
ICESCR	International Covenant on Economic, Social and Cultural Rights

## Part 1. Situation Analysis

Timor-Leste restored its independence on 20 May 2002. Under various UN peacekeeping missions, Timor-Leste has seen a great number of successes. It adopted a new constitution based on human rights; established the institutional infrastructure that constitutes the core of a democratic sovereign State essential for the long-term development of the country; conducted seven free and fair elections; and made arrangements for sound management of Petroleum Fund set up in 2005 so as to avoid the “resource curse” that had afflicted so many other nations and to ensure that present and future generations benefit. Yet, Timor-Leste has also seen periods of significant violence which might have also adversely impacted on economic growth and human development.

Timor-Leste remains one of the poorest countries in the Asia-Pacific region despite the Petroleum Fund that grows by more than US\$100 million a month, and is estimated at US\$ 4.2 billion as of December, 2008, which provides the Government with tremendous flexibility in public spending. Yet the progress on economic development has been more elusive, with non-oil GDP per capita of \$364.1 in 2007. The politico-military crisis of 2006 has also adversely affected economic growth, with the domestic economy estimated to have contracted by 5.8% during 2006. Poverty has increased from 36% in 2001 to nearly 50% in 2007 measured as \$0.88 per capita per day. Population growth at a rate of 3.4% per annum, combined with a sluggish economy, has further worsened the unemployment situation in the country, leaving more than 50% of the young without jobs. Over 15,000 youth (15-29 years) enter the labour market annually, yet only approximately 400 jobs are generated each year, which is a major contributory factor to violence and social unrest. Low agricultural productivity has further exacerbated food insecurity, affecting over 40% of the population.

In 2006, more than half the population did not have access to safe drinking water and only 33% had access to adequate sanitation, which represents a considerable challenge for guaranteeing the fundamental right to access to water and sanitation as per Timor-Leste’s obligation under the ICESCR. The net enrolment ratio in primary education has declined from 78% in 2004 to 63% in 2007. The drop out rate among primary school age children has increased from 12% in 2004 to 25% a year later, due to debilitating effects of preventable diseases and malnutrition. Gender disparities are widespread: Women are also likely to receive less food than men: one third of women (ages 15-49) are malnourished and suffer from chronic energy depletion.

The recurrent violence resulting from the 2006 crisis, led to more than 10% of the population, an estimated 145,000 people internally displaced. Though many have returned to their homes, many are still living in IDP camps. Timor-Leste has a long way to go before the citizens can truly live without fear and with dignity. The lack of strong domestic economic growth has eroded the social cohesion that was formed during the struggle for independence. This has serious implications for efforts to prevent further conflict in the country. Thus providing short term employment to the community through quick impact project activities, such as the ones proposed under this project, will be needed to contribute to the security and stabilization of the country.

## **Oecusse District**

Oecusse (or Oecusse-Ambeno) is politically part of Timor-Leste, but geographically enclaved within West Timor. The district covers an area of 815 square kilometers. It is a coastal enclave in the western part of the island of Timor, separated from the rest of Timor-Leste by West Timor, which is part of the province of Nusa Tenggara Timur, Indonesia, and which surrounds Oecussi-Ambeno in all directions except the north, where it borders with the Savu Sea. The district is divided into four (4) sub-districts: Nitibe; Oesilo; Pante Makassar and Passabe. The district has a population of slightly less than 60,000.00 people, divided into 13,016 households (Census 2004).

As an isolated enclave, Oecusse is lagging behind other parts of the country almost in every aspect of development, i.e. education, health and economy. In terms of education, a baseline survey in 2006 indicated that most of the population in the area had not received any education, and were illiterate. On health, 2004 population census results indicated that there were 112 infant deaths per 1000 live births in Oecusse, higher among boys than girls. As a result, on average, people in Oecusse could be expected to live only until the age of around 56; 54 for males and 58 for females. Most of the population relies on agriculture that is seasonal and has low productivity. The actual unemployment rate was quite high although relatively lower than the national figure (17% versus 40%).

Despite the fact that Oecusse has received significant development support from government and non-governmental organizations, the enclave district still faces special development challenges due to its high levels of poverty and geographical isolation. Therefore, the project will be designed and implemented in this enclave district to support economic and social infrastructure and trigger small economy of this enclave district.

## **Tono Market**

The project will be centred on / around the new Tono Market. This new market was established with the Community Development Fund (CDF) under Oecusse Community Activation Project (OCAP), and this initiative is to complement the established market with other integrated/basic provision of sanitation facilities, clean water, and solar energy as in line with the government especially MoED approach on the Mini Market development. The Old-Market is situated on the river bank and it has no access to clean water, sanitation and waste management / disposal facilities. Thus; often the market users dispose of non-biodegradable items into the river, which in turn create pollution in the river and also affect flow of water in the nearby canal. For that reason, the community and the market users, mostly women, have recommended to the OCAP to establish a new market structure for them near by but not close to the river bank.

Based on the recommendations of market users and surrounding community, the OCAP project in cooperation with local and national government established a new Tono market in the near by area, which is away from the river bank. However, the new market has no access to clean water and good sanitation, and road access to the new market is not good. Thus it has not been used since it was completed. Until now the surrounding community and traders still use the old Tono market. This initiative will address the issues of access to clean water, sanitation and improve access road to the new market. It is expected that upon the completion of all infrastructure, the market users, mostly women, and surrounding communities will shift or move their trading activities to the new market.

Aside from contributing to poverty reduction, this project is expected to also contribute to environment and health safety of the area. On environment, it is expected that when traders move or shift their trading activities to the new market, the river, which is close to the old market

will become safe from pollution of garbage, including non-biodegradable items. On health, it is expected that the new market users will have access to clear water and good sanitation, which in turn will enhance public health in the area.

#### *Composition of market users*

As mentioned earlier, most of the old Tono market users are women. It is expected that when they move to the new Tono market, composition of traders will stay the same, which is women will still be majority of the market users. This is because in the rural areas, culturally, women are the ones that carry out trading activities.

#### *Security Analysis*

Compared to other districts, Oecusse is the safest place in the country. It is publicly known as the most stable district in the country. Currently the security situation at the project sites is very conducive and no major security problems are expected in the near future.

## **Part 2. Strategy**

Timor-Leste is one of the MDG focus countries because of its characteristics as a post-conflict country that requires urgent improvement of living conditions for people. It is also one of the poorest countries in the region which faces serious challenges in achieving the MDGs due to limited national human resources and institutional capacity. In addition, lack of access to employment and infrastructure such as water and sanitation, and access to market are also hindering people of Timor-Leste to attain the MDGs.

As the project is linked to the national initiatives, the potential of scaling up is high. The country follows an MDG-based national development planning framework. UNDP is providing policy support to the country to integrate MDGs into macroeconomic framework. However, Timor-Leste's national development strategy is under formulation as the country is just emerging out of crisis and conflict. It needs very specific set of quick-impact interventions to reach out to the most vulnerable groups, and deliver the needed services to improve their living conditions. Thus, the project will directly address the needs of the vulnerable groups in Oecussi by providing services. Oecusse district is one of the most underdeveloped districts of the country, and is geographically isolated (enclave) from the rest of the country. In order to have a greater impact in the district, the proposed project will build upon the lessons learned and best practices of Oecusse Community Activation Project (OCAP).

Though Timor-Leste does not have a National Development Strategy yet, for the past two years it has utilized a short-term planning framework called the National Priorities Programme. The most recent of which (2009) contains seven National Priorities and among them are Social Protection and Social Services, and Rural Development. The proposed project is directly relevant to both priorities mentioned above. In fact, the 2010 priorities have already been unveiled and include, among others, water supply, roads, food security and social services among others. The proposed programme also fits well with the 2010 priorities.

The government is developing a Medium-Term Development Strategy of which, the Prime Minister has indicated, the MDGs will be an integral part. UNDP has entered into discussions with the government to undertake an MDG costing exercise to feed into the Mid-Term Development Strategy process. Therefore, in terms of the MDG scaling up initiative, the project will be able to:

- 1: Provide valuable field experience inputs to broader MDG based planning and
- 2: Address 'pockets of poverty' linked to area-based initiatives.

UN System in the country along with the Government of Timor-Leste jointly formulated the UN Development Assistance Framework (UNDAF) with overarching goal of consolidating peace and stability and identified three areas of cooperation two of which - poverty reduction and sustainable livelihoods *and* provision of basic social services – are directly linked to this PTF project. UNDP Country Programme (2009-2013) further underscored poverty reduction and achievement of MDGs as one of the four programme areas with ‘capacities for human development and MDG based pro-poor policies enhanced’ as one of the eight outcomes of CPAP. UNDP has been in the forefront in supporting countries achieve MDG targets by advocating, monitoring and campaigning for the MDGs. With the exception of the “Oecusse Ambeno Community Activation Programme (OCAP), funded by UNDP and the European Commission (EC), very few initiatives have taken up in the project area. The present project is designed on the basis of the concept note “Scaling Up Support to the MDGs” to target key MDG Areas such as employment generation, infrastructure and water and sanitation. This will also further strengthen existing component on Community Development Fund under OCAP mentioned earlier. Although this is a small scale project, it is expected to contribute to the MDGs such as eradication of extreme poverty and hunger; universal primary education, gender equality and women’s empowerment; reduction in child mortality; improvement in maternal health; and environmental sustainability.

### **Project Deliverables: Outcome and outputs**

**Outcome:** By 2013, vulnerable groups experience significant improvement in sustainable livelihoods, poverty reduction and disaster risk management within an overarching crisis prevention and recovery context.

The objective of the SCAQI Project is to provide support to the people of Oecusse to achieve the national development goals, through provision of quality infrastructure. This will include improved access of the Tono market users and the community to clean water and sanitation, and improved security and safety in the market through provision of well-lit and safe market conditions. In addition, vulnerability of one public school from land slides will be minimized.

This project is expected to contribute to attainment of CPAP Output 3.2 By 2013, capacities enhanced for strengthening self-help groups to undertake agro-based rural livelihoods, community-driven, productivity-enhancing small rural works with special focus on women with specific outputs of:

**Output 1:** Provide access to: clean water, sanitation facilities, market for market users and goods, and better security in the market through use of sustainable/alternative energy system, in Tono Market and the neighbouring community

**Output 2:** Improved school safety from possible land slides in the target areas.

### **Intended beneficiaries**

This project will benefit the people living in the project area which is one of the poorest in the country and also faces severe physical isolation. In particular, most women in the area will benefit from this project as they are traditionally the traders and bring good of daily consumption to the market. In addition, local government staff will also benefit from this project through gaining more experience in design, implementation and monitoring of the project activities. This project will also present useful insights in the localisation of MDGs for further replication.



## **Implementation Modalities**

### **1. Selection of the Local Partner**

Due to its geographical isolation, interaction with the target groups will be required on a daily basis and participatory methods will be used in the formulation, implementation, monitoring and evaluation of the project. UNDP as implementing partner will need a local partner to implement the project. The local partner will be responsible for preparing design, specifications, monitoring and evaluating the project on a regular basis and provide assurance to UNDP on the reasonableness of costs and quality. The local partner will also be responsible for the selection and preparing contract with other entities, i.e. local company to carry out the physical works of the project. In this respect, UNDP will seek to collaborate with a national NGO that has adequate staff and reasonable sound financial status; have experience in working with external organizations or donors, and more importantly, has the necessary capacities to carry out activities that will be implemented under this initiative and achieve results on behalf of UNDP. Based on UNDP's past work in Oecusse, it is known that there are at least three NGOs that may have the capacity to implement activities under this project. These NGOs are: (1) Atoni Enclave (2) Centro Feto Oecussi Enclave - CFOE (3) Centro De Agricultura E Celeiro Nacional – CACN. A team drawn from programme, procurement and finance sections in UNDP will carry out a detailed capacity assessment of these three NGOs, and others that may be suggested by Belun (NGOs' umbrella organisation), and based on that one of the NGOs will be identified as the local partner.

In order to select the right local partner for project implementation, the UNDP country office will assess the capacity of the few local NGOs to carry out the project by using the CSO Capacity Assessment Tool. However, prior to the assessment, UNDP will have to make sure that the local NGO must have the legal status to operate in accordance with the laws governing NGOs in the programme country. After the assessment, the proposal to designate an NGO will be submitted to the Project Steering Committee (PSC) for reviewing and verifying its comparative advantage with others.

A separate Project Cooperation Agreement (PCA) will be formulated, and the selected NGO will have to sign the PCA with the UNDP, but only after the government signed on the project document. By signing on the project document, with UNDP, the government authorizes UNDP to sign PCA with the local implementing partner. .

### **2. Selection of the Local Construction Companies**

Taking into consideration that most of the project activities will be focused on the establishment of small physical infrastructure, the project will contract local infrastructure companies to carry out the physical work. The local partner will be responsible for organizing all the contract / procurement process for the activities, including inviting interested parties to participate in bidding process.

#### **2.1. Project Activities Grouping for Bidding**

With the intention of facilitating the local partner's task of procurement, monitoring and evaluation, the project activities will be divided into four (4) groups, which are:

Group 1: Clean water and sanitation (Installation of water pipes, tanks, and toilets)

Group 2: Access road to market (road/land levelling, improving drainage system)

Group 3: Solar panel installation

Group 4: Gabion basket installation for protection against land slides

The local companies will be invited to bid on any group or groups that they are interested in. The cost of material, equipment and services for the construction of each group will be all

included into the cost of each group mentioned in the contract. No additional cost will be payable. The bidding process will be carried out according to the UNDP procurement rules and regulations.

## **2.2. Bidding Process**

### a. Preliminary technical assessment

The local partner will cooperate closely with the district public works, and water and sanitation office to do the preliminary assessment on technical and cost aspects of the physical structures that will be built under this initiative. The results of the assessment will then be provided to the UNDP for bidding process preparation.

### b. Bidding Preparation

The local partner, with the support from UNDP, will prepare / set up conditions and requirements according to UNDP procurement rules and regulations, and invite companies to participate in the bidding. .

### c. Bids analysis, decision and contract

All the bidding documents will be jointly reviewed by the Project Working Committee and UNDP to decide on the successful bidder / bidders. A contract / contracts will then be awarded to successful bidder / bidders in line with the UNDP guidelines.

## **3. Payment Process**

It is planned that the payment for each work will be released gradually, and will be based on the milestones that would already be set in the award agreement. The payment can only be made when all the milestones are verified by the local partner and engineers from the local public work office and approved by UNDP. The local partner with the help of the UNDP Project Associate will be responsible for raising the requisition, and UNDP Programme Officer will be responsible for approving the requisition.

It is planned that all the payments will be transferred directly to companies' bank accounts. For those that have no bank account, payment will be issued in check. No payment will be made in cash.

## **4. Sustainability**

The sustainability of the project will be ensured through strong commitment and ownership by community and the local government, through integrating the project activities into the existing government programmes. The present project is well-aligned to the government's ongoing scheme on mini-markets which is also part of the National Priorities 2009 for which UNDP, along with others, provides monitoring support. As part of the strategy to make the project sustainable, it is planned that at its initial stage, the project will work closely with the community, the local authorities and the government institutions, through establishment of Project Working Committee (PWC) as mentioned above. An exit strategy, particularly institutional arrangements for maintenance of market and its facilities, will be developed to secure sustainability after the project ends.

Necessary training will be imparted on the use and management of assets and maintenance tools to ensure sustainability. Skills development interventions will build on existing capacity and programme structure that is already in place and are the priority of the government counterparts. Market management training for market association (MA) member will also be included in the capacity building training. This training will certainly enable the market association member to manage and maintain the market in an appropriate way, which in turn could achieved sustainability in the future.

## Part 4. Annual Work Plan

EXPECTED OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES <i>List all activities including M&amp;E to be undertaken during the year towards stated CP outputs</i>	TIMEFRAME								RESPONSIBLE PARTY			PLANNED BUDGET	
		2009				2010				Source of Funds	Budget Description	Amount USD		
		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4					
<b>Output 1:</b> Provide access to: clean water, sanitation facilities, market for market users and goods, and better security in the market through use of sustainable/alternative energy system, in Tono Market and the neighbouring community  <b>Baseline:</b> 1. No access to clean water 2. Poor access to sanitation facilities representing a risk to public health 3. Quality of access road to the market not adequate 4. No access to energy or to solar energy  <b>Target:</b> 1. At least one clean water piping system will be installed in the market area 2. At least 2 clean water tank will be installed in the target area 3. At least 3 additional toilets will be installed in the target market 4. At least access road to from the main road to the market will be improved 5. At least surrounding area of	1.1. Preliminary assessment on cost and technical aspects	X									Local partner and UNDP	PTTF---	-None-	---
	1.2. Installation of water pipes	X			X	X					Local partner and UNDP	PTTF	Installation and materials cost (The water sources is 3 km away from the marker	31,200.00
	1.3. Installation of water tank	X			X	X					Local partner and UNDP	PTTF	Installation and material cost for 2 water tanks (US\$ 8,840.00 x 2 tanks)	17,680.00
	1.4. Installation of additional toilets in the market	X			X	X					Local partner and UNDP	PTTF	3 Units x 4,853.30	14,560.00
	1.5. Levelling of access road to market and improving drainage system	X			X	X					Local partner and UNDP	PTTF	Road levelling and drainage improvement cost (15,600.00 x 1)	15,600.00

<p>the target market will be levelled and paved</p> <p>6. At least 3 solar panel and few bulbs will be installed in the target market</p>	<p>1.6. Levelling and paving of area surrounding market</p>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
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## **Part 5. Management Arrangements**

The overall value of this Project will be US\$ 150,000.00. The total fund will come from PTF, and UNDP will contribute its existing resources to guide and monitor the progress of the project. The management structure of the project will be as follows:

### **Project Steering Committee (PSC)**

Since the project will improve mini market which is within the portfolio of the Minister of Economy and Development (MoED), at the national level, this project will be led directly by the Minister of Economy and Development (MoED) / The Vice Minister of Economy and Development / The Secretary of State for Rural Development (SOS RD). A Project Steering Committee (PSC) will be formed with members from of the Minister of Economy and Development or his representative, and the Country Director UNDP and / or his representative. This PSC will be responsible for making by consensus management decisions for the project. In order to ensure UNDP's ultimate accountability, PSC decisions should be made in accordance to standards that shall ensure best value to money, fairness, integrity transparency and effective international competition. In case a consensus can not be reached, final decision shall rest with the UNDP Programme Manager.

### **Project Working Committee (PWC)**

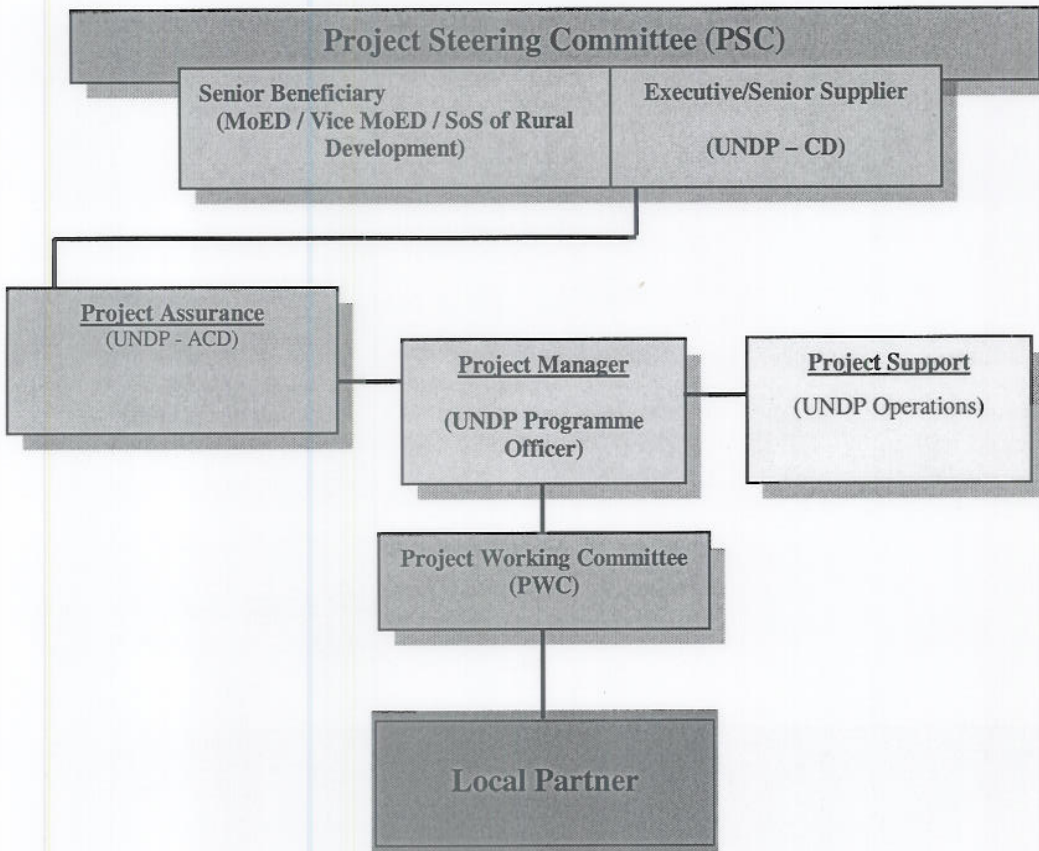
This project will be directly implemented by UNDP. In order to be able to involve all stakeholders in the process of programme design, implementation, monitoring and evaluation, a Project Working Committee (PWC) will be formed at the district level. The PWC's primary responsibilities is to ensure that the project produces the results specified in the project documents, to the required standard of quality and within the specified constraints of time and cost. PWC will consult PSC for guidance on management decisions.

PWC will be composed of representatives from the regional, district and sub-district government, local leader, civil society, UN Agencies, local partners and community representatives. More specifically, member of the PWC will consist of SoS of Oecusse Region, Oecusse District Administrator, Head of Pante Makasar Sub-District, Chief of Village and Sub-Village, representative of Oecusse Public Works Office, local NGO's, market users and community member. The PWC will be chaired by the District Administrator. Women representatives from each of these groups will be encouraged to be part of the PWC. PWC will hold monthly meetings or whenever the need arises to update all stakeholders of the progress made on the ground. The UNDP Program Officer's will function as the main focal point of PWC to monitor the implementation of the project activities on regular basis.

### **Project Implementation and Assurance**

While the UNDP Programme Officer will have the authority to implement the project on a day-to-day basis on behalf of the PSC, UNDP Assistant Country Director of Poverty Reduction Unit will provide the assurance function to PSC.

## Project Organization Structure



## Part 6. Monitoring and Evaluation

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

### Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.

- a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

### **Annually**

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes

Throughout the project implementation period, the local partners will be required to conduct regular visits to the Project sites and provide updates of the progress to UNDP and the PWC as required. The monitoring and evaluation activities will be participatory and all stakeholders are encouraged to be involved in the process. In addition, the implementing agency will also be required to provide information to UNDP for it to send a mid-term and a final report to PTF.

Overall, UNDP will be the main responsible entity for project implementation and coordination. Therefore, UNDP will use its existing resources to monitor and evaluate progress of the project, in accordance with the evaluation plan of the Country Office and standard UNDP policies and procedures. This will include, collection and consolidation of financial and physical progress reports from the local partner, consolidation of information ensuring that outcomes are on track, providing support for day-to-day management, supporting local partner in their activities as required, supporting and convening PWC meetings if needed and preparing final project report.

## **Part 7. Legal Context**

This project document shall be the instrument referred to as such in Article 1 of the SBAA between the Government of (country) and UNDP, signed on 20 May 2002.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency.

The executing agency shall:

- a) Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) Assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.



UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The executing agency agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

## **Part 8. Exit Strategy**

In general, the following strategies are proposed to ensure the continuity of the activities especially by ensuring the ownership of the government both at national and sub-national levels

1. The government participation in the project from the design stage of the project to ensure national ownership and the eventual take over when the project is phased out.
2. Integrating project activities into regular government programmes
3. Putting in place institutional arrangements for maintenance of assets

However, in order to ensure sustainability of the project, exit strategy for each asset generated from this project will be developed to secure sustainability after the project ends. Following are the exit strategies for the sustainability of each asset generated under this project.

### **Sustainability of Access to Clean Water**

For water supply system, there will be a Water Users' Group (Grupo Maneja Facilidade- GMF) which will be formed during community planning process and the GMFs will take over the responsibility of operation and maintenance after completion of construction works. The district Water and Sanitation Office (SAS) will provide technical support and guidance to GMF as mentioned in the Community Water and Sanitation Guidelines. Aside from being responsible for operation of clean water supply system, such as pipes and tanks, the GMFs will also be responsible to liaise with the local / district water and sanitation office to get technical assistance or materials for maintenance. In addition, if possible, the GMF should also consider the introduction of water user's fees in its constitution/TOR if permitted by law, to ensure sustainability of the completed structures.

### **Sustainability of Structure for School Building Protection**

In order to keep the sustainability of the structure for school building protection, the project will cooperate with existing Parents and Teachers Association (PTA). The PTA will be expected to play an oversight role and ensure sustainability of the School structure to prevent future landslides. In the future, the PTA could also function as a pressure body to local/national government to take necessary action to prevent or fix any school structure from damage.

### **Sustainability of Market Sanitation and Solar Panels**

In order to operate and maintain the sanitation system (toilets) and solar panels installed under this initiative in the future, the existing Market Association (MA) will be involved in the process of construction. Some members of the MA will be trained in sanitation maintenance, and some others will

also be trained in the maintenance of solar panels. It is expected that after the end of the project, the MA will take over the responsibilities for operation and maintenance of all the assets generated for the market under this initiative. MA may consider collecting some money from the members for this purpose

Although most of the market users are women, most of the members of the MA are men. This project will encourage women to become members of the MA so that they have a better role in decision-making, especially about issues that affect them the most.



**Annex 1. Concept Note**

**CONCEPT NOTE**

**Poverty Thematic Trust Fund  
Call for Proposals for Fifth Tranche  
Deadline: October, 10, 2008**

Country/Regional Centre	<b>Timor-Leste</b>	
ATLAS Budget Department		
Project Title	<b>Strengthening Community Access to Quality Infrastructure - Market and School Building in Enclave District of Oecusse</b>	
Focus Area	Poverty Reduction and MDG Achievement	
Key Result Area <sup>[1]</sup>	Promoting inclusive growth, gender equality and MDG achievement	
Corporate Outcome [please choose only one from the six outcomes listed]	<input type="checkbox"/>	MDG-based national development strategies promote growth and employment, and reduce economic, gender and social inequalities
	<input type="checkbox"/>	Enhanced national and local capacities to plan, monitor, report and evaluate the MDGs and related national development priorities, including within resource frameworks
	<input type="checkbox"/>	Policies, institutions and mechanisms that facilitate the empowerment of women and girls strengthened and implemented
	<input type="checkbox"/>	Macroeconomic policies, debt-sustainability frameworks, and public financing strategies promote inclusive growth and are consistent with achieving the MDGs
	<input type="checkbox"/>	Strengthened capacities of local governments and other stakeholders to foster participatory local development for the MDGs
	<input checked="" type="checkbox"/>	Policies, strategies and partnerships established to promote public-private sector collaboration and private-sector and market development that benefits the poor and ensures that low-income households and small enterprises have access to a broad range of financial and legal services
Key Result Area <sup>[1]</sup>	Fostering inclusive globalization	
Corporate Outcome [please choose only one from the two outcomes listed]	<input type="checkbox"/>	Enhanced capacities of developing countries to compete internationally and to negotiate, interpret and implement agreements on trade, intellectual property, and investment in a manner which prioritizes poverty and inequality reduction and human development
	<input type="checkbox"/>	Strengthened national capacities to negotiate and manage development finance, including aid and debt, consistent with the achievement of the MDGs and other internationally agreed development goals
Amount requested (in USD)	<b>US\$ 200,000.00</b>	

Other funding (in USD) available or expected with source (e.g., TRAC)	n/a
Please describe the objectives of the Project?	<p>[Objectives of this project are to:</p> <ol style="list-style-type: none"> <li>1. Improve quality of access road to New Tono market</li> <li>2. Provide clean water and toilets at the New Tono market</li> <li>3. Provide solar power to the New Tono Market, and</li> <li>4. Protect the physical structure of a public school in Tono, Oecusse, from land slides.</li> </ol>
How would this concept link to the “MDG scaling up and capacity building for MDG achievement” Initiatives”?	<p>In general, the project activities would be strengthening the existing component on Community Development Fund from the Oecusse Ambeno Community Activation Programme (OCAP), funded by UNDP and the European Commission (EC).</p> <p>Aside from providing materials and Technical Assistance for improving quality of road access to market, installing clean water, toilets and solar energy for the market, and gabion basket for protecting the school building from land slides; this project will also provide capacity training to the stakeholders, including local government institutions on maintenance and sustainable use of assets that would be generated from this project. This would include training on how to maintain solar panels, water pipes and toilets.</p> <p>There is no doubt that the project will generate temporary employment in a short term. It is expected that for long run, the project will provide opportunities to women and other vulnerable groups to access a good market with good sanitation system, which will allow them to do trading activities. This project will contribute to MDG number one, through promotion of growth and incomes, and reduction of economic, gender and social inequalities]</p>
Please state the specific results of the Project?	<p>Expected specific results of the project:</p> <ol style="list-style-type: none"> <li>1. Quality of road access to market will be improved</li> <li>2. Clean water available for the New Tono market</li> <li>3. Sanitation in the New Tono Market will be improved thus reducing communicable diseases</li> <li>4. One community school will be protected from land slides</li> <li>5. Solar energy would be provided to the market users during the night thus improve security of traders (both men and women) as well as goods to be traded]</li> </ol>
Please describe the “products” (i.e., publications, toolkits, etc.), if any, expected to be generated?	<p>Products that will be generated from this project:</p> <ol style="list-style-type: none"> <li>1. Solar panel system</li> <li>2. Toilets</li> <li>3. Clean water</li> <li>4. Physical structure of gabion basket</li> </ol>
Please explain how does this project contribute to gender mainstreaming and the empowerment of women?	<p>As in other parts of the country, women in Oecusse district play a very important role in the family economy, including the responsibility to go to the market for economic purposes, i.e. buying and selling produce for household consumption. However, in general they do not have access to the market due largely to poor sanitation facilities and power. Consequently, women traders are more likely to remain vulnerable to health problems and personal security compared to men.</p> <p>This project will try to respond to this specific need by improving quality of road access to market, providing clean water, toilets, and solar energy for improving market conditions. It is expected that this project will enable women and other vulnerable groups in the area, especially in Tono area, to access a market with good sanitation facilities and in a</p>

	<p>more secure environment, which in turn will enable them to avoid risk of health problems, as well as physical assaults that might happen to them. This will also improve trading activities.</p> <p>Similar to any other part of this country, land erosion and land slides are also happening in Oecusse district at a faster rate due to instability of soil and slopes. This not only causes problems to the agriculture, but also to the community houses and school building. The latter was built by the community. In Tono Village for example, some public school buildings are susceptible to land slides, and therefore, this project will respond to this specific problem by providing materials and technical assistance to prevent the school building from land slide. It is expected that with this initiative, the school building could be prevented from the land slides, which in turn could enable hundreds of the school children to continue their education activities without fearing of land slides and add to external costs.</p>		
Project Owner Name	Pradeep Sharma		
Project Owner Title	Senior Assistant Country Director / Head of Poverty Reduction and Environment Unit		
Project Owner Email	pradeep.sharma@undp.org		
Alternate Owner1 Name	Carlos dos Reis		
Alternate Owner1 Title	Programme Analyst for Poverty Reduction and Environment Unit		
Alternate Owner1 Email	carlos.dosreis@undp.org		
Alternate Owner2 Name	Rui Gomes		
Alternate Owner2 Title	Head of Pro-Poor Policy Unit		
Alternate Owner2 Email	rui.gomes@undp.org		
CO ATLAS Focal Point Name	Jose Leong		
CO ATLAS Focal Point Email	jose.leong.tp@undp.org		
Will this concept result in a New Project Document	<input checked="" type="checkbox"/>	YES	<input type="checkbox"/> NO
If NO, please provide the ATLAS Project Number where this concept will be included as an Activity, if approved			

Prepared by Carlos dos REIS, Rui Gomes and Ayako Higuchi (Pro-Poor Policy Unit)

## Annex 2. DETAILED BUDGET SHEET

Outputs / Operational / Management	Activities	Fund	Donor	Account	Imp. Agency	Amount US\$
<b>Output 1:</b> Provide access to: clean water, sanitation facilities, market for market users and goods, and better security in the market through use of sustainable/alternative energy system, in Tono Market and the neighbouring community	1.1. Installation of one clean water pipes system					31,200.00
	1.2. Installation of two water tanks in the market area					17,680.00
	1.3. Installation of additional toilets in the market					14,560.00
	1.4. Levelling of access road to market, and improvement of drainage system					15,600.00
	1.5. Levelling of area surrounding market, and paving of its surface					19,760.00
	1.6. Installation of three solar panels , plus few bulb lights					7,800.00
	Sub-Total					106,600.00
<b>Output 2:</b> Improved school safety from possible land slides in the target areas.	2.1. Gabion baskets will be installed in the area close to school that is prone to land slides					19,760.00
	Sub - Total					19,760.00
Travel, Media, Reporting and PWC Cost						5,640.00
Local Partner Fee						5,640.00
	Sub-Total					7,500.00
	TOTAL PROJECT COST					199,500.00