

**Palau Local Governance Strengthening Project (PLGSP)
Board Meeting**

Meeting Date: Tuesday 19 June 2018

Venue: GW Conference Room, Level 7, Kadavu House, 414 Victoria Parade, Suva, Fiji and Skype Conference to UNJPO office at Surangel Building, Koror, Palau.

Minutes

Attendees:

- Bakhodir Burkhanov, Chair of Board and Country Director, UNDP
- Hon. Faustina Rehuher-Marugg, Co-Chair of the Board and Minister of State, Palau
- Casmir Remengesau, Director of the Bureau of Budget and Planning, Palau
- Eunice Akiwo, Director of the Bureau of Domestic Affairs, Palau
- Sharon Sakuma, UN Coordination Officer, UNJPO, Palau
- Tarita Holm, Palau Local Governance Project Officer, Palau
- Dyfan Jones, Effective Governance Team Leader, UNDP
- Asenaca Ravuvu, Team Leader, Integrated Results Management Unit, UNDP
- Mohammed Mozeem, Governance Analyst/ PLGSP Project Manager, UNDP
- Arthi Kumar, Programme Associate, Effective Governance, UNDP

Agenda Item 1: Welcome Remarks and Remarks from Government of Palau

The Chair welcomed those in attendance and introduced attendees from both Palau side and UNDP, Suva office. Chair highlighted that this is the first project board meeting for this project which started in September 2016 and provided an opportunity to discuss the project and key lessons learnt on this important partnership and understand what can be done better. He further highlighted that the Board members role was to provide guidance to the implementing team, to address risks proactively elevated from the project management side, review and approve work plans and progress reports and provide necessary project course corrections. Chair also thanked the Minister of State for the mission clearance letters received for upcoming missions by senior UNDP officials and the continued support from Palau.

The Co- Chair Hon. Faustina Marugg mentioned that indeed this was the first time for the board to meet. She indicated that this was the time the project can deal with issues, provide mitigating solutions and move forward with an open mind as it is an important project for Palau. Hon. Faustina also mentioned the upcoming mission for Bakhodir Burkhanov and the UNDP Assistant Secretary General Haoliang Xu.

Agenda Item 2: Confirmation on Agenda Items

The Chair highlighted the key points in the draft agenda. He mentioned that there is already a draft Terms of Reference for the board attached to the project document. The expected decision is to approve the project board TOR and ensure its implementation.

The Co-Chair Hon. Faustina mentioned that from the Palau side, it's important to review the governance structure of the board and for a discussion on the budget to be included in the agenda. The Chair cleared

that the discussion on the governance structure of the board is already covered under the agenda item on Project Board TOR review and the budget will be discussed under agenda items 5 and 6.

The project board members **agreed** on the agenda items.

Agenda item 3: Project Board TOR reviewed by Board

The Chair presented briefly on the project board TOR and mentioned that it was a standard TOR for UNDP project boards and was aligned to international standard project management methodology which is known as Prince II. The methodology states roles for each of the project board members.

The Project Manager (PM), Mohammed Mozeem presented a slide showing the structure of the board and explained that the project had the senior Beneficiary, Executive and the Senior Supplier (which was missing from the slide, but which is UNDP and the Government of Palau). In terms of the Senior Beneficiary in the TOR, their role is to ensure the realization of project results which is essentially done by BDA for the citizens from the different pilot states as well as representing the State Governments.

Executive role is played by the UNDP Country Director who is the Chair of the Board. The Co-Chair is Hon. Ms. Faustina who is the Minister of State from Government of Palau. The Senior Supplier role requires technical and financial contribution which includes both UNDP and the Government of Palau. For the day to day operations and management of the project, it is under the responsibility of the Project Manager and the Project Officer on the ground. In terms of project assurance, this role is played by the Integrated Results Management Unit (IRMU), UNDP who provide on a regular basis the quality checks on project implementation.

Project Advisory Support role; initially when the project was designed, support was provided from UNDP Bangkok office and through this support, UNDP was able to deliver an Inception and Induction workshop. UNDP Bangkok office continues to provide support when required.

The PM also presented the slide on project management arrangements and indicated that project managements costs were charged to the project.

The Co- chair proposed if for the senior Beneficiary role, inclusion of a representative from each of the 5 pilot states who can be Governors was possible. The reason behind this was for supporting project implementation and for each state to be on the same page as the project.

Director Casmir also mentioned that the reason to expand the senior beneficiary role is for them to provide active guidance for the overall project. He mentioned that the TOR provided by the Project Officer, Tarita for the senior beneficiary working group was along the above lines as proposed by the Minister. He said for BDA to have the ownership of this by being the Secretariat which will also build capacity for BDA to continue to provide support to the states.

UNDP Effective Governance Team Leader, Dyfan Jones agreed with the Director Casmir that as the key beneficiaries to the project, the state governments needed to be engaged and take ownership of the project, but the question was whether this should be officially as project board members or through the senior beneficiary working group.

The meeting **agreed** with the current project board membership should remain the same but that a senior beneficiary working group should be established to allow BDA and the project to better engage with the pilot states and allow them to feel ownership of the project. **UNDP committed to reviewing the draft terms of reference of the senior beneficiary working group and providing feedback.**

Agenda item 4: PLGP Updates

Project Manager provided a PowerPoint presentation on the progress made and key achievements of PLGSP (annexed).

Discussions:

- As per the progress report, one of key outputs conducted was the inception workshop just prior to the induction workshop in 2016. The induction was conducted for state governors, legislators, state level admin and finance staff. This exercise was conducted for the 5 states who are part of the project. Key aspects covered during the workshop included clarifying roles and responsibilities of state governors, legislators and state staff.
- Knowledge material was produced which is called the knowledge product. This material is for new state governors and staff as a reference guide. This comprehensive knowledge product was produced in early 2017. The validation exercise was undertaken over 6 months including with the National Congress. Confirmation was requested from the Board as to whether to go ahead and publish or whether to further update this. It was **agreed** that the current draft should be amended (e.g. reduce the section on SDGs) and then to go ahead and publish.
- State Profiles were drafted by the PM, though they were not part of the project but were deemed necessary for the pilot state governments. These have been shared with BDA earlier this year.
- The Project also undertook recruitment of a Project Officer to be based in BDA and to support the implementation of the project.
- The Project facilitated presentations during the Governors Association meeting by the Director of BDA on the progress and project outcomes for information of all the states.
- A Strategic Review exercise was done in 2017 for BDA in which a report was produced and a revised organizational structure for BDA was produced. The Mission also conducted a Strategic Planning between BDA and 5 pilot states. It was a key strategic exercise with pilot states, and outcomes of this activity are ideal references in developing AWP activities and BDA Plan.
- BDA staff terms of reference (TORs) were produced which are in draft format and need to be finalized. PM recommended to finalize these TORs as there are staffs already in place within the Division of Media for instance and who need TORs for their current jobs. A further revision could be done later during the Strategic Plan workshops.
- UNDP through policy advisory support provided technical advice for personnel policy review for the Melekeok State.
- A HR recruitment planner was produced last year October and needs to be revised in accordance with the Strategic Plan work and recruitment strategies for BDA.
- The Project also facilitated a training for the Director BDA in Haiyan, China on local governance.

Tarita, the project officer provided a brief overview on governance clinics and staff evaluation as noted below:

- Governance clinics for Melekeok and Hatohobei state are part of outputs of the Annual work plan.
- Preparatory meetings conducted prior to the main clinics and a total of 3 Sessions were done to cater for Youths, Men and Women so that everyone could have a say.

- Melekeok Governor has decided to create a taskforce to address the primary issues after this Melekeok Clinics.
- For the Hatohebei State, there will be a community meeting conducted in August for the state budget.
- A strategic planning exercise was conducted with IC Sanjoy although it was not in line with what the real core business for BDA reflected. The Project Officer has facilitated further meetings with BDA to develop the draft vision, mission, core business, core values and long-term strategic goals for each different programmatic area within the two divisions of BDA. A new local consultant is required to continue further on ground-truthing the above higher-level objectives using results-based management tools and then developing action items under each objective in order to finalize Strategic Plan for BDA. The local consultant will also work on SOPs, finalizing TORs and facilitating annual work program planning so that staff can have clear annual work plans.
- BDA staff conducted with the support of the Project Officer (and with the permission of the Director of BDA) an upward evaluation of the Director which helped to address some internal communication issues.
- Project Officer also conducted organizational effectiveness work with BDA emphasizing the need to strengthen organizational culture within BDA and focusing on professionalism and leadership principles.
- The USAID Climate Ready Program offered a certified Project Management Course that was successfully undertaken by the BDA Director, the Project Officer as well as the Administrative Officer of Aimeliik State, Sherry Koshiba.

Director BDA, Eunice presented on the observations that has been implemented under following points:

- Disconnection on the ground between LGSP and Division of State and this creates challenges for project implementation.
 - AWP for 2016, 2017 and 2018 were approved by Director with understanding between Bureau and PM to work together to expand on AWP. The Bureau continue to request the AWP be expanded into monthly activities to ensure Bureau, Project partners and stakeholders have clear understanding of activities and to accommodate better planning.
 - Emphasis on the need for the Division of State as project counterpart to be included in all LGSP to build the Division's ownership of the work, capacity and retain institutional memory to inherit and continue delivery of successful outcomes of the LGSP.
 - Bureau request for Project support toward Ministry's efforts in establishing dialogue with future partners, i.e. attorney general, code commission, ethics commission etc. to formally introduce Project, gain long term commitments and approaches for streamlining successful outcomes into existing operations.
- Request for the TOR for the working group for decision making to be reviewed and finalized.
- Need for a project vehicle and equipment to support project work.
- Reporting cycle – request for Project to follow the Project Document's required quarterly reports from the Project that will help coordinate work between the Project and the Bureau as well as coordinate activities with the Minister, pilot states and Project partners. Regular reporting cycle will help Bureau to highlight the Project with partners and other state governments and the Minister to highlight amongst national and state leadership.
- The 2 procedures to note for presentations in future governance clinics engagement under the Administrative Procedures Act which are the Promulgation of Regulations and Promulgation of Public Laws. These support the work on the solicitation of public comments. These will also support the process on civic engagement on the law-making process.

- There was a large-scale work required on harmonization of the pilot state laws and regulations and also produce annotated versions of all the state laws (codification).

Director Casmir also mentioned the following observations:

- Orientation/ Knowledge product – the challenges that are currently being faced by the states is the incoming of new governors and legislators with no clear background documentation and lack of understanding on national and state government systems create disconnection in state government operation, including finance management and lack of public documents. The knowledge product could serve as an important tool for the states and a checklist of things the new officials should be aware of. Information around finances, organization structure and policies were not readily available. Record keeping needs to be supported through the knowledge product.
- SDG's were more at the international level. The state governments should get to know what this is, how they relate to the local level and how they can contribute.
- State governments need to know aspects of PFM, e.g. procurement, reporting requirements, assets, gender inclusion, social inclusion, climate change, budgets, revenue, accounts payable etc. Also to note that if we include gender then we also need to include other social dimension youth, disability as well.
- The Knowledge Product can be finalized as it is (with a few minor amendments on the SDGs section) as there was a need to show a tangible result to the states.

IRMU presented on the observations on the oversight and key achievements as per points:

- IRMU does not get involved in the day to day operations of the project but provides technical advice on corporate requirements.
- Output 2 and 3 is on track and output 1 is off track. Information needs to be updated by the project manager on the corporate system to show the activities under all outputs.
- In terms of reporting, regular quarterly reports from the project manager required that will help update the corporate system and to monitor the project movement.
- Risks management – Board should review the political, environmental and other risks that are mentioned in the Prodoc including the one on financial risks.

Agenda item 5: Review of AWP 2018 and Upcoming Activities

The PM presented the slide on the approved 2018 AWP and the upcoming activities which has already been shared with BDA. PM briefly discussed each key output of the projects and the important activities and workshops that were targeted to be completed this year. The Project has recruited an international consultant to deliver training on PFM. Governance clinic reports are yet to be finalized by Tarita for Melekeok and Hatohobei state which will have lessons learnt. Once the reports are finalized, and lessons learnt reviewed it will be possible to move on in organizing the remaining pilot states. It was **agreed** that the clinic reports would be shared by the project with the board shortly.

It was noted that not many project activities had been delivered to date, but that an activity planner had been developed with the proposed activities and draft dates for the remainder of 2018. These provide further detail on activities in the approved 2018 AWP. The draft activity planner had been shared internally in the project team and would now be shared with BDA.

The meeting **agreed** on the need for regular fortnightly meetings between UNDP Suva (Dyfan and Mozeem) and BDA (Director Eunice and Tarita) and UNJPO (Sharon) to regularly review progress on project implementation and plan upcoming activities.

Agenda item 6: Overall Project Financial Overview-snapshot

A slide was presented by the PM on the financial snapshot for the project. To date the Government of Palau had contributed USD\$300,000 and UNDP had provided USD\$173,340. Under the Government Cost Sharing, the third tranche payment of USD\$150,000 had not yet been received by the Government confirmed this would be made available on 1st October 2018. There will be a project budget gap of \$176,000 after the 3rd tranche payment from Government.

The Chair confirmed that UNDP has regular resources for Palau and the estimate budget for this project for 2019 would be \$40,000 to \$50, 000 USD which from UNDP side will be committed towards this project.

Director Casmir confirmed that the third tranche payment is in the Government budget and this would be transferred in October this year.

The Chair suggested that both UNDP and Government of Palau should jointly undertake resource mobilization to determine how to cover the budget gaps and to ensure successful project completion.

Agenda Item 7: General Discussions and AOB

The Chair highlighted some of the main project issues discussed:

- Reiterate project ownership for BDA as the hub for project implementation and as principle beneficiary to coordinate the work of the project in Palau. The Project Officer to be based at BDA.
- Agreed to have a mechanism to include other beneficiaries which are the State Governments of the 5 pilot states to make sure there is a good coordination network for BDA and the state governments to work together as a committee or task force.
- The draft TOR for this group needs to be reviewed but agreed that BDA should serve as the Secretariat. Focus of the working group was to examine the approved activities under the Project by the Board and thereby localize and support implementation. In this way State Governments are fully aware of what is happening in the project. UNDP **agreed** to provide feedback and finalize TOR next week Monday 25 June.
- Senior Beneficiary working group to meet monthly and to stay engaged with the project to discuss project progress.
- **Agreed** to finalize the knowledge product for usage. Suggestion was instead of creating one big orientation document, have 3 pieces: 1) overall governance structure and mechanisms as per current knowledge which will be completed by the project in the next 4-6 weeks with a reduced SDG section and include a list of ROP national laws & policies such as procurement law, climate change, renewable energy policy, rights of people with disability, 2) PFM tool which include forms and templates, national government budget calendar and checklist of items that new officials need to know to understand operation, 3) Content of policies related to the SDG's most relevant to Palau. Also, to include a checklist or summary tool for key policies for states and overall governance structure and functions.

- **Agreed** to have Specific running list of activities and actions with dates and deadlines to ensure successful project implementation.
- **Agreed** that Quarterly progress reports will be produced by the project and circulated to board members.
- **Agreed** that use of M&E tools for proper planning and implementations as well as risks review and management to be updated by the Project team.
- **Agreed** that BDA will provide office space for the project officer and the Minister of State assured this will be taken care of by Government.
- **Agreed** to review the budget with the activity planner to include the possible acquisition of assets (scanner, projector and the vehicle) and to discuss options at the fortnightly meetings. Major amendments to the AWP will need to be agreed by the board.
- **Agreed** that the Board Meeting minutes will be shared with Board Members by Monday 25 June.

The Chair brought the meeting to a close at 2.10 pm Palau Time.

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 Bakhodir Burkhanov
 Chair of Board and Country Director, UNDP Pacific Office in Fiji
 and Head of Pacific Regional Programmes & Policy

10/8/2018

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 Date