NATIONAL PROGRAM FOR SUCO DEVELOPMENT (PNDS) SUPPORT PROGRAM

QUARTER 4 REPORT (May – July 2013)

Cardno Emerging Markets

August 2013

CONTENTS

1 EXECUTIVE SUMMARY

This report covers quarter 4 (Q4: May-July 2013) for the PNDS Support Program managed by Cardno on behalf of AusAID.

Strategic achievements

Important strategic achievements in the quarter include:

- Contracting and mobilisation of 46 social and 96 finance trainees, and 19 adviser and local staff spread across management, technical advice, field test, training and support functions.
- Completion of major procurement and contracting activity and logistical support for technical, field test, financial and social training courses.
- Launch and commencement of social training on 24 June 2013 (first intake) and financial management training on 8 July 2013.
- Continuation of technical training program with 15 modules completed in the quarter; 82% of trainees passed the first half of the course.
- Completion of the first intake of social training with all 46 trainees assessed as 'very competent'.
- Launch and completion of field test training by 45 participants.
- Agreement from INDMO that the PNDS training can be recognised and accredited as a National Certificate in Community Facilitation.
- Continuation of socialisation, technical and logistical support for the field test; 55 community training events were undertaken and community management teams established in 30 sucos with 47% of members being women.
- PNDS community financial management manual – the policy and procedural basis for implementing PNDS at community and government levels – was completed. Financial briefings and training were conducted for 261 participants (mix of government and community people).
- Development of financial systems that provided for two bank accounts to be opened in each of the 30 field test sucos (total of 60 accounts); an operational grant was transferred to each suco.
- Engagement of The World Bank and The Asia Foundation (by AusAID) to provide advice and support for M&E of the program and field test respectively.
- Completion of end of financial year (EOFY) processing and payments with the final result being a minor over-expenditure of just $3,400 for the Cardno managed budget (1% variance on budget).

Cross-cutting issues

Cross-cutting issues are dealt with in the report (Section 14), albeit only modest time and effort has been invested in this area by virtue of PNDS still being in planning and preparatory phases. Notwithstanding, important progress has been made as part of the training

programs with gender and disability inclusion modules completed and ready for incorporation into the nationally accredited training course. Gender and disability awareness sessions were completed as part of technical, field test, community and finance trainings.

Next quarter, cross-cutting activity is expected to escalate once PNDS enters the implementation stage which will involve extensive community interaction. At that time, cross-cutting issues particularly gender and disability inclusion and to a lesser extent environmental protection are expected to become more prominent in risk identification, program planning and implementation.

Adequacy of implementation – an overview

Across the Cardno-managed parts of the PNDS Support Program, adequacy of implementation is considered and assessed at three levels: strategic, whole-of-program (Section 3.2), individual output (Sections 5-9, 12) and operational systems (Part B).

Implementation of key outputs particularly training and financial management systems and products is well advanced and of good to excellent quality. Generally speaking, the operational support systems are considered robust and performing well.

Across the support program, all outputs, activities and operational systems are strongly influenced and at times negatively impacted by rapid implementation, inadequate planning, and insufficient communication and consultation (both internally and externally). This is a reflection of significant political support and pressure for rapid program roll-out coinciding with the establishment of the PNDS Secretariat as a new entity of government administration.

Management recommendations

Significant progress has been made in implementing those management recommendations identified in the previous quarterly report. Section 3.4 covers monitoring and progress reporting of management recommendations. Management recommendations arising in the current quarter are identified against the relevant key target output and also summarised in Section 3.4.

Risk management

Cardno has developed and maintains a risk management plan that details those risks that could be reasonably anticipated over a six-month period of the program (August 2013 – January 2014). This plan exists as a separate deliverable under the Head Contract.

Major risks identified during the quarter include managing program pace and quality, engineering training design and accreditation, and finance training learning outcomes. Risk description, implication and steps taken and/or recommended to mitigate risks are described in Section 15.

Program outlook

This report identifies important activities for the next quarter as follows:

- Assisting the Secretariat with recruitment, selection and mobilisation of national and district officers and sub-district facilitators (488 civil servants).

- Continuation of technical training and continuation and completion of community mobilisation and financial management training.
- Curriculum development, course planning and delivery of training for 100 district and national officers in October 2013.
- Continuation of support for the PNDS field test including disbursement of infrastructure grants to 30 field test sucos.
- Development and progressive implementation of a revised workforce management strategy that reflects the new directions and budget for the support program.
- Recruitment, contracting and mobilisation of the field support team.
- Development of a program monitoring and evaluation plan with associated performance indicators.
- Development, release and award of a tender for the design and development of the PNDS management information system (MIS); substantial progress in design and development is expected by quarter's end.

2 INTRODUCTION

2.1 PNDS: A snapshot

The Programa Nasional Dezenvolvimentu Suku (PNDS), or National Program for Village Development, is a new, nation-wide community development program of the Government of Timor-Leste. Launched in June 2012 and valued at $300 million over eight years, it will contribute to rural development by funding the 'missing link' to services – basic village infrastructure – and provide jobs and training.

The Government will provide communities with an annual grant of around US$50,000 to plan, construct and manage their own small scale infrastructure projects. The Government will also fund the costs of staff working on the program. PNDS began implementing a field test in 30 sucos in July of 2013 and implementation will commence in all 442 sucos in late 2013.

An Inter-Ministerial Committee and Technical Working Group have been established to develop PNDS, representing key ministries (Finance, State Administration, Health, Education, Agriculture, Public Works and the National Development Agency). A PNDS Secretariat within the Ministry of State Administration supports these bodies and is responsible for the implementation of PNDS. The Secretariat is headed by the Director General Local Development.

AusAID will be a major partner of GoTL as it implements PNDS. Since mid-2011 AusAID has supported the development of the program and plans to support its implementation from 2014. Support will focus on program design and management, staff training and monitoring and evaluation. A new AusAID program, the PNDS Support Program, is currently being designed to support the Government of Timor-Leste with the implementation of PNDS from 2014.

The delivery of the PNDS and the Support Program is a collaborative effort between the PNDS Secretariat, key GoTL ministries, AusAID, Cardno and other development partners (principally the World Bank and The Asia Foundation). Extensive collaboration occurs between AusAID and Cardno, with AusAID taking the lead role on policy and relationship management with GoTL while Cardno plays a support role.

Further details about PNDS are available on the AusAID website[1].

2.2 Program quarterly reporting

This report covers quarter 4 (Q4: May – July 2013) for the PNDS Support Program managed by Cardno on behalf of AusAID. The report represents a transition towards an improved system of quarterly reporting that is more sophisticated, analytical and useful for management purposes. The aim is to fully comply with the AusAID Monitoring and Evaluation Standards[2].

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[1] AusAID (2013) National Program for Village Development (PNDS), Timor-Leste. Program briefing, March 2013. http://www.ausaid.gov.au/publications/Pages/pnds-briefing-march-2013.aspx

[2] AusAID (2013) Monitoring and Evaluation Standards. Evaluation Capacity Building Program, AusAID Indonesia, East Timor and Pacific Branches.

This report further consolidates on the improved system of reporting from Q3 and responds to extensive feedback and suggestions from AusAID about the Q3 report. This Q4 report introduces additional changes as follows:

- A more strategic approach to progress reporting: in consultation with AusAID, priority has been given to identification of a relatively small number of 'key target outputs'. 'Key target outputs' are identified in the annual plan and listed in Table 1 and defined as those outputs that are:
  - a) strategic and high-level, and
  - b) have a major bearing on the achievement of program outcomes, and/or
  - c) account for a considerable proportion of the budget or effort.
- Greater attention is given to in-depth assessment of the *adequacy* of implementing these key target outputs and the major management systems. Adequacy encompasses three aspects: (1) coverage and reach, (2) quality, and (3) strategic implications.
- Restructuring so that the body of the report concentrates on adequacy assessment. Detailed activity reporting including progress in implementation of the Cardno annual plan has been shifted to Annex A.
- Consolidation, into a new report section (refer Section 3.4), the key management recommendations made in the previous quarterly report and progress with implementation. Management recommendations made in the current report are also summarised.

Table 1. Key target outputs for reporting in current quarter

1. 488 district and national staff for PNDS Secretariat recruited		7. 200 trainees complete technical training
2. Community financial management manual developed and approved		8. INDMO accreditation attained for technical, community and finance training
3. Suco banking and grant payment systems are designed and implemented		9. Field test completed in 30 sucos
4. 40 people complete field test training		10. MIS designed and developed ready for roll-out.
5. 100 trainees complete community mobilisation training		11. Personnel recruited, contracted and mobilised as per personnel plan
6. 100 trainees complete finance training		

2.3   Report structure

This report starts with an executive summary, introduction and strategic assessment of program progress and outlook (Sections 1-3) and is then structured as follows:

Part A. Progress reporting for Goal 1: Provision of support for GoTL policies, systems and activities

- Section 4: Program design, inter-agency planning and coordination
- Section 5: Human resource management
- Section 6: Public financial management
- Section 7: Training
- Section 8: Field test
- Section 9: Monitoring and evaluation
- Section 10: Operational and administrative support to PNDS Secretariat

Part B: Progress reporting for Goal 2: Development and implementation of management systems and activities

- Section 11: Financial and procurement management
- Section 12: Personnel management
- Section 13: ITC

Part C: Program-wide issues

- Section 14: Cross cutting issues
- Section 15: Risk management

3.   STRATEGIC ASSESSMENT OF PROGRAM PROGRESS AND OUTLOOK

3.1   Strategic assessment of progress

The priority activities and important strategic achievements in this quarter were as follows:

- Consolidation of the PNDS Support Program with the majority of personnel recruited and mobilised, and solid operational systems established for training, HRM, finance, ITC and procurement.
- Completion of major procurement and contracting activity and logistical support for technical, field test, financial and social training courses.
- Completion of recruitment, selection, contracting and mobilisation of 19 adviser and local staff spread across management, technical advice, field test, training and support functions.
- Contracting and mobilisation of 46 social and 96 finance trainees.
- Launch and commencement of social training on 24 June 2013 (first intake) and financial management training on 8 July 2013.
- Continuation of technical training program with 15 modules completed in the quarter and 82% of trainees having passed the first half of the course.
- Completion of the first intake of social training with all 46 trainees assessed as 'very competent'.
- Launch and completion of field test training by 45 participants (13 May - 3 June 2013).
- Continuation of dialogue and negotiations with INDMO and agreement that the PNDS training can be recognised and accredited as a National Certificate in Community Facilitation.
- Completion of gender and disability inclusion modules for incorporation into the nationally accredited training course for PNDS.
- Completion of gender and disability awareness sessions as part of technical, field test, community and finance trainings.
- Continuation of socialisation, technical and logistical support for the field test; 55 community training events were undertaken and community management teams established in 30 sucos with 47% of members being women.
- Assisted the Secretariat with preparations for recruitment and selection of sub-district facilitators and district and national officers. An ambitious target date of 1 October 2013 has been set by the Secretariat executive.
- Financial briefings and training conducted for 261 participants (mix of government and community people) as part of the field test.
- Completion of the PNDS community financial management manual – the policy and procedural basis for implementing PNDS at community and government levels.
- Development of financial systems that provided for two bank accounts to be opened in each of the 30 field test sucos (total of 60 accounts); an operational grant was transferred to each suco. Overall, financial systems are in place and responding very well under field test conditions.
- Commencement of high-level design activity for PNDS management information system (MIS).

- Engagement of The World Bank and The Asia Foundation (TAF) (by AusAID) to provide advice and support for M&E of the program and field test respectively.

- Development and initial implementation of corporate service systems and procedures (administration, budget, procurement, IT) for the PNDS Secretariat office; fit-out of the new PNDS Secretariat office with furniture and ITC assets is near complete.

- Completion of end of financial year (EOFY) processing and payments with the final result being a minor over-expenditure of just $3,400 for the Cardno-managed budget (1% variance on budget).

3.2 Strategic assessment of adequacy

A strategic, whole-of-program assessment of adequacy of implementation follows. Detailed coverage is provided for each key target output and operational system throughout Parts A and B.

Program design, inter-agency planning and coordination

The national level activities for PNDS preparation are well developed. The PNDS design and legal framework is in place, the field test has commenced with a team of local consultants and advisers, and training for prospective PNDS staff is underway across the three streams of social, finance and technical facilitation. Concerns are held for the still rudimentary nature of program M&E planning and systems.

Human resource management

Trainees must pass through a rigorous procedure in order to gain a position as a civil servant. The requirements are a mark of >60%, being assessed as 'competent' in every module, passing the civil service exam, and performance at a formal interview. Based on a preliminary assessment of test results from the three training streams, it is predicted that there will be enough suitably qualified trainees available to undergo the selection procedure.

There is a very tight timeframe between completion of social and finance training (18 and 23 September 2013 respectively) and the October 2013 start date for mobilisation of new facilitators. Progress towards this target is adequate but overall must be considered at risk. If social and financial facilitators are not mobilised by mid-October 2013 then the PNDS implementation cycle, at field level, may be delayed and this would have critical flow-on implications for grant disbursement in late 2013.

Public financial management

Training and briefings associated with the Community Financial Management Manual (CFMM) were delivered to 261 people (142 men, 119 women) across five field test districts; this reach and coverage is considered adequate. The quality of the manual has been assessed as very high based on multiple mechanisms including approval with no modifications by the Council of Directors of the Ministry of State Administration; very positive feedback from Treasury and the Minister of State Administration; initial field testing of procedures and systems; and feedback from community training. The amount of counterpart involvement during the development of the manual was inadequate due to poor access to and there being limited opportunity for consultation with secretariat staff. The implications of

this includes lack of ownership and knowledge of financial systems by secretariat staff during the field test and beyond.

Sixty bank accounts were opened in the 30 field test sucos (two per suco) and 30 operational grant transfers were made to suco bank accounts. During design and implementation of these systems, 161 people across five districts and multiple stakeholder groups (PNDS, MoSA, National Bank of Timor-Leste, MoF, community) were involved. Overall, the reach and coverage of the output is considered adequate. Output quality is considered to be of excellent quality. Opening of bank accounts and payment of operational grants were made in accordance with all relevant legislation, policy and manuals. The average processing time for the payment of the operational grants was 19 days which is well under the normal processing time for payments and excellent performance considering this was the first ever payment of PNDS grants.

Generally, the financial management area of PNDS is proceeding well; systems are already in place and responding very well under the field test conditions. However, a major risk has been identified for the scale up of the 2014 cycle, mainly due to ambitious scheduling. It is very possible that the PNDS Secretariat will not be able to submit payment requests for all sucos before the GoTL deadline of 29 November 2013 due to very ambitious government scheduling, delays in recruiting and mobilising facilitators into the field, and complicated financial transfer processes between MoF and PNDS Secretariat. Program implementation will be slowed down significantly if the payments are not made from the 2013 budget and if there is a delay in the promulgation of the 2014 budget.

Training

The *field test training* was completed by 45 participants (75% men, 25% women) from PNDS Secretariat. Overall, this reach and coverage is adequate although representation by women is well under the ideal. The quality of the training was assessed through small group simulation exercises, trainee evaluation forms, and trainer and management judgments. In general, the field test training was well received by the trainees. Specific areas for improvement are identified. The overall objective of introducing the PNDS cycle, key systems and forms to the field test team were met. However the standard of training was compromised due to time constraints in material and team preparation.

Community mobilisation training (Block I[3]) was completed by 46 trainees (67% men, 33% women) from six districts. This reach and coverage is considered adequate. Training quality was assessed through testing, trainee satisfaction surveys and trainer evaluations. Course evaluations found that the satisfaction levels of trainees were extremely high with more than 90% of trainees "always" enjoying the trainer's presentations, group work and practice sessions. Testing results shows that more than 85% of trainees are 'very competent'; another test has 40 of the 46 trainees performing at a very high level (scoring over 70%).

Finance training is being delivered to 96 trainees (33% men, 67% women) with representation across all 13 districts of the country. This reach and coverage is considered excellent. Training quality was assessed through trainee evaluation and examinations and testing of trainee competency. Trainee satisfaction surveys show that the majority of trainees are comfortable with the style of training. Test results showed that 84% and 50% of trainees passed the initial two tests. The second test result is concerning - if trainee finance literacy

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[3] The training design allows for two separate six-week courses of 50 participants; this duration is adequate to train people in the most important concepts of community engagement and social development. Training for another 50 trainees (Block 2) is scheduled to start in August 2013.

results do not improve, there is a risk that not enough trainees will be suitable for facilitator positions.

Technical training is being delivered to 184 trainees (73% men, 27% women) with representation across all 13 districts of the country. This reach and coverage is considered adequate. The quality of the technical training is measured through trainee evaluation, test results and management observation. A sample of evaluation forms shows that trainees are very satisfied with the course. Results at the end of the quarter show that 82% of trainees passed all 15 modules and are equipped to survey, design, cost, plan and construct basic civil engineering infrastructure. Management assessment indicates that the course is not strongly linked to practical learning outcomes; this has come about because of the technical background and philosophy of the engineer trainers. Despite these limitations, trainees will have a good appreciation of the construction requirements of basic infrastructure from the course. More attention is required to strengthen trainee skills in communications, facilitation, mentoring and coaching techniques (9% of trainees achieved less than 60%[4] in this module and 32% achieved less than 70%). This is of particular concern as capacity development is an important function for prospective sub-district facilitators.

Training materials, assessment tools, handbooks and guides have been sufficiently developed to allow the application for *accreditation* to go ahead with INDMO.

Overall, based on current trends from assessment activities, the number of trainees forecast to successfully graduate from each of the training courses – finance (90), community (98), technical (160) – exceeds the number of civil servant positions available in the Secretariat (78 finance, 78 community, 122 technical). This result, if it eventuates, is considered positive as it creates competition and will help ensure that the best quality trainees are recruited.

Field test

Nearly 5,000 people (39% women) attended field test socialisation meetings in aldeais and sucos; this coverage is below what was expected and female attendance is below the 50% target.

The materials for socialisation were sufficient in terms of the topics they covered, however lacking in number (not available for aldeias) and variety (limited to posters and handouts). Activities were conducted by the Secretariat facilitator teams who generally have a good understanding about the program.

Limitations were experienced with the depth of the message delivered: many details about program concepts and operations were left uncovered and will need to be further explained at a later stage; some confusion also arose due to government information not being clear. Despite some problems, in general communities welcomed and had positive feedback about the program.

Formation of the 30 suco community management teams was successfully achieved by the due date of 30 June 2013. The nomination and election of suco teams generally adhered to the program operations manual (POM) processes although there were some misunderstandings. In terms of team membership, 154 are women (47%) which is very encouraging.

Monitoring and evaluation

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[4] 60% and above is considered a pass.

Design and development of the MIS is at an early stage. Output quality is likely to be affected by acute timing for the project – the compressed and ambitious timeframe for MIS development and implementation will affect the overall suitability of the MIS for its role. Ideally this project would have begun in early 2013 to allow time for full consultation and design. Quality is also expected to be influenced by the local market which features very few suppliers of ITC services and software development. Market constraint will likely result in lack of choice and limited options to explore value-for-money.

The lack of IT staff at the PNDS secretariat is a major concern as is the number and seniority of ITC staff in the PNDS structure. Office ITC and MIS cannot be managed without appropriately trained staff. Recognising the scale and complexity of ITC and MIS activity in the PNDS Secretariat, an ITC manager position is recommended for inclusion in the secretariat staffing profile.

Operational and administrative support to PNDS Secretariat

During Q4 there has been further definition around AusAID funding for activities at the Secretariat and this has helped to both manage expectations and respond to requests more efficiently. The Secretariat is facing significant pressure to achieve PNDS implementation milestones, whilst at the same time developing its own internal systems and procedures; this has made it very challenging to roll-out support systems. This pressure is likely to intensify in the next quarter as activities gear up for nation-wide implementation of PNDS.

Financial and procurement management

Cardno- managed procurement and financial management systems are progressing well with processes further developed this quarter. A number of large procurement and contracting exercises that support training and secretariat activities were completed.

Personnel management

The reach and coverage of this output was adequate with the necessary advisers and staff recruited and mobilised in time to support the main PNDS activities. The quality of the operational systems to support personnel management are progressively being developed, implemented and reviewed as part of ongoing system improvements.

ITC

The ITC systems established in the Cardno Balide office are functioning well as is the support provided to training centres, trainees and outposted advisers. Maintenance and basic system repairs are increasingly being delegated to the ITC Officer thereby allowing the ITC Manager to concentrate on the MIS design (refer Section 9) and ITC support for the Secretariat.

3.3   Insights and lessons

Based on experiences and knowledge gained throughout the quarter, a number of strategic observations and lessons have been identified; some of these insights are specific to PNDS while others have broader relevance for the AusAID Country Program. These insights follow.

3.3.1 Insights specific to PNDS

Institutional strengthening and program management

The magnitude of PNDS can be forgotten or overlooked by those who are working within it or missed by outsiders who are less familiar with the program and its ambition. Two significant tasks are at hand. Firstly, PNDS the Secretariat is being established as a major entity within MoSA. The mandate of the Secretariat is broad and complex; it will have over 400 staff spread across the country and operate as decentralised teams at national, district, and sub-district levels. Secondly, PNDS the program is being designed, planned and implemented as a major policy of government.

On its own, establishment and effective operation of PNDS Secretariat as a major administrative entity of government would represent a significant and ongoing challenge in institutional capacity development. Added to this challenge is the fact that, at the very same time that the PNDS Secretariat is being established, the GoTL has charged the Secretariat with design and implementation of one of the biggest, most significant and ambitious community development programs ever undertaken in Timor-Leste.

For the program to work, so too must the organisation. The risk is for the Secretariat to be overlooked as the demands of the program escalate. The two PNDS' – the Secretariat and the program - will both require significant and sustained assistance and support.

Timorese personnel

The support program to date has been fast paced which at times has limited intensive capacity building of locally engaged staff (LES). The program has attracted some talented local staff who are interested in long-term careers in development and ongoing involvement with the program. With effective support and mentoring, local staff can become important and central contributors to high quality activities.

For instance, the first block of social facilitation training was led by an international trainer who invested heavily in developing the capacity of the local staff in his team. The confidence of these Timorese trainers and their training skills has grown markedly, to the extent that they are now very successfully implementing the second block of training without constant adviser or managerial oversight.

As the program moves into the implementation phase, the structure and make-up of the workforce will change. There will be high demand for talented, multi-lingual Timorese staff who understand PNDS and can rapidly fit into new and challenging roles. Some of these new roles in field operations and capacity development could and should be readily filled by high performing Timorese who are currently working in the program.

Language complexity

The multi-lingual operating environment of Timor-Leste is not a new challenge, however there are some specific implications for the program. From an operational perspective, as an Australian Government aid program, international advisers are expected to have high functioning levels of English (this is particularly important for interactions with program management and for report writing). When advisers have been recruited with non-English language skills, this has led to parts of the program being disconnected through miscommunications; there have also been difficulties with quality of written products and communicating expectations and needs.

Language is also an issue for advisers placed in the Secretariat and in field roles. It is recognised that many government employees are able to communicate in both Bahasa Indonesia and Tetum (and often other languages as well). However, Bahasa Indonesia is being phased out of the education system and nation-wide fluency is reducing. In rural areas, many communities have not used Bahasa frequently for several years and youth have been through primary and junior high schools in Tetum and Portuguese.

In the next quarter, recruitment will be taking place for the field support team; priority needs to be given to sourcing advisers with Tetum and other local language skills as these will be a necessary prerequisite if advisers are to operate effectively at the community level.

Conflict and avoiding it

Conflict and mistrust are still common in Timor-Leste and PNDS to date has been no exception. Clear communication, information and decision-making structures are required to avoid conflict and frustration amongst staff and beneficiaries. During this quarter, all of the trainees at Tibar refused to attend training due to concerns about procedures that would apply to future employment in the ministry. In this instance, trainees did not understand the process and many felt they hadn't been adequately consulted or informed.

Some of these tensions and conflicts can be mitigated by being very intentional about communication methods and details. Experience in the PNDS Support Program is there is probably no such thing as over communication when dealing with Timorese trainees.

Additionally, senior Timorese staff are an invaluable source of advice and guidance on cultural insights and what will work and what won't. It has been important to allow LES staff to provide guidance and feedback about strategic decisions and to analyse the risk factors around certain activates. For instance, in this quarter, Cardno program managers relied heavily on local staff advice about risks and implications of conducting residential training.

3.3.2   Insights with broader relevance for the AusAID Country Program

The contractual arrangements for Cardno and the PNDS Support Program are somewhat novel: the AusAID-Cardno Head Contract provides for the Interim Governance for Development Support Services (IGfDSS) Program under which two separate programs and management teams operate - Interim Governance for Development (IGfD) and PNDS Support Program. This arrangement has proven to be highly effective with sharing of office resources and management expertise across programs. It has also provided for significant efficiencies via development of a common set of program manuals for operations, security, finance and so on rather than standalone documents for each program.

PNDS Support Program has undertaken significant activity to procure and contract local private sector organisations (training centres, training providers, ITC, caterers, transport, printing, vehicle servicing). For some suppliers, working with Cardno has been their first exposure to formal tender and contract processes. Although there has been problems, it is a learning and development experience. Ongoing use of these suppliers should result in greater capacity and economic development across the sector; when considered in conjunction with the imminent GoTL investment in infrastructure development, it represents a significant investment in the future development of Timor-Leste.

Choice of trainers is a critically important step in programs having a strong emphasis on capacity development. Advisers with solid credentials in their technical field – whether it be engineering, finance, social development or other – do not necessarily equate to being excellent trainers. Experiences from PNDS and other similar programs shows that advisers with technical skills par excellence can be terrible trainers. The best training outcomes are

generated by trainers who are avid and experienced adult educators, exceptional communicators, who are interesting and who are interested in their audience. They are teachers, they are innovators who use interesting learning techniques, and they don't use PowerPoint very much. Such talents need to be sought out through recruitment and cultivated.

3.4   Monitoring of management actions

This is a new part of the quarterly report and arises from feedback by AusAID. This section highlights the key management recommendations made in the previous quarterly report and progress since then (Table 2); this allows for implementation to be monitored. Management recommendations made in the current report (under specific sections in Parts A and B) are also consolidated here (Table 3).

Table 2. Progress report for key management recommendations made in the previous quarterly report.

Report section	Management action recommended	By whom	Progress
Section 4: Program design, inter-agency planning and coordination	Development of a PNDS Support Program annual plan is required. This will be an important step in aligning the AusAID support program with the PNDS Secretariat plan and needs; it will also be an important tool in communicating the activity areas that AusAID will support.	Cardno – Operations Manager AusAID – Program Director	The *Cardno Annual Plan 2013* continued to be refined and added to throughout the quarter and is being used to guide strategic work activity; the plan provides the foundation for quarterly reporting. The *AusAID PNDS Implementation Schedule* was developed and distributed for input amongst program partners. The schedule guides high-level resource allocation, activity planning and implementation.
Section 7: Training	Future program start-ups should (a) align the mobilisation of program personnel with the program activity cycle, and (b) fill the support team from top down, starting with managers and technical advisers. Specifically, recruitment of trainers should only occur after the management and specialist adviser positions are in place and these positions are able to provide management direction and guide course development.	Cardno/AusAID	No action required for now; for consideration in other program start-ups.
	The Vocational Education Specialist to continue working with CNEFP to review and restructure the current course to meet accreditation guidelines.	Cardno - Vocational Education Specialist	Planning meetings held with CNEFP to review and restructure course practicals to meet the requirements for Certificate II in General Construction. CNEFP has been supplied with details in order to register technical trainees with INDMO.

Report section	Management action recommended	By whom	Progress
	Key management recommendations following the challenges with start-up of the technical training course are: • the training team (including Site Manager) for community and finance training to be in place at least one month prior to course commencement • all procurement systems and budget limitations are clear and communicated to training teams prior to the beginning of the course • all contracts with training partners are approved prior to course commencement • training partners are engaged in development of training materials • all training materials are work shopped with the whole training team in advance of training delivery.	Cardno/AusAID	No action required for now; for consideration in other program start-ups.
	The Training Manager, Vocational Education Specialist, Social Training Specialist and other team members will review and update all existing community mobilisation training materials to reflect recent changes to the POM during and after the field test training. Some materials will also be reviewed by peers (ie. Financial Management Adviser / Engineering Adviser) whilst the training is taking place.	Cardno - Training Manager	Completed. Training materials are regularly evaluated during the training by both trainers and Cardno for effectiveness, clarity and accuracy.
	Significant input will be required by the Training Manager and Vocational Education Specialist to assist the finance training team to design and implement the finance training for the field test and then to meet the deadline for the curriculum development.	Cardno - Training Manager	Currently underway. The field test training has been completed and development of the finance training curriculum is 75% complete with full completion likely mid – August.
Section 8: Field test	Close budget monitoring and liaison between Cardno and Secretariat will be necessary to provide field test support at short notice.	Cardno - Logistics and Office Manager	The field test has a clearly defined budget that was agreed between the Secretariat and AusAID. This definition has helped to manage expectations about the quantum of resources available for the field test, and assisted with longer term planning by advisers and government staff. A workflow and agreed template and budget breakdown has been developed to manage requests to

Report section	Management action recommended	By whom	Progress
			utilise the field test budget; all requests are channeled through the Corporate Services Adviser in the Secretariat and then to the Logistics and Office Manager.
			A pricing analysis is held by the Cardno procurement team and is used to give rapid feedback to advisers on expenditure and budget status.
Section 9: Monitoring and evaluation	Recognising the need for a M&E plan to be in place for the field test and leading into program implementation in 2014, prompt resolution of the strategy for program monitoring and evaluation is needed particularly securing the involvement of the World Bank.	AusAID Program Director	The World Bank has been engaged to provide advice and support for program-wide M&E. The Asia Foundation (TAF) has been engaged to assist with M&E of the field test.
	Both the GoTL program and AusAID support program are large and complex programs with a very high need for significant and ongoing M&E specialist inputs. This is major gap in personnel at present. Recruitment of a STA M&E Adviser at earliest opportunity in Q4 is recommended.	AusAID Program Director Cardno – Operations Manager	Not progressed due to budget constraints.
Section 10: Operational and administrative support to PNDS Secretariat	Develop a PNDS-AusAID partnership plan outlining the support (human and financial) that AusAID will provide for PNDS.	AusAID Program Director	The *AusAID PNDS Implementation Schedule* was developed and distributed for input amongst program partners. The schedule guides high-level resource allocation, activity planning and implementation.
	Establish closer liaison and communication between the Secretariat and Cardno so support needs are communicated quickly and effectively, and that support services can be provided according to the AusAID-approved partnership plan.	Cardno - Logistics and Office Manager	In Q4 the communication lines between the Secretariat and Cardno have improved, particularly with the arrival of the Corporate Services Adviser who is coordinating administrative support and processes at the Secretariat level and channeling requests to the appropriate unit at Cardno. This has worked particularly well with the field test budget. Further work to streamline requests needs to continue into the next quarter with priority given to: • Clear contact points established for requests • Referral of key requests to senior managers for confirmation • Joint planning

Report section	Management action recommended	By whom	Progress
			• Communications between the Secretariat and Cardno. This is important given the number of actors and participants in PNDS; communications can easily break down or messages be diluted given the sheer number of stakeholders involved. The strategy to phase-out funding for administrative support to the Secretariat (petty cash, stationery, consumables, etc) was completed.
Section 11: Financial Procurement management	The sheer volume of trainee payments in addition to daily finance requirements for the project necessitates the recruitment of an additional finance assistant as soon as possible.	Cardno – Finance Manager	Completed; second Finance Officer recruited and mobilised on 10 July 2013.
Section 12: management	As the protection of formal contracting cannot be relied upon, other approaches, particularly building business relationships with suppliers, need to be concentrated on.	Cardno – Procurement and Assets Manager	No action required for now; this is a general approach for consideration in subsequent program phases.
	Investigate use of expressions of interest processes followed by simple negotiated contracts as a means of improving simplified procurement that is more capable of compliance by vendors.	Cardno – Procurement and Assets Manager	Not progressed.
	Establish preferred suppliers and standing orders for small-scale purchasing that does not require formal contracting.	Cardno – Procurement and Assets Manager	A master list that compares prices for all training materials, stationery, furniture and equipment is 50% complete. Following completion of this tool the next step will be to identify preferred vendors and to enter into purchasing arrangements.
Section 13: Personnel management	Urgent need for completion of AusAID LES salary review scale across all programs and employment categories. This is critical for the attraction and retention of high quality LES personnel.	AusAID – Assistant Director	AusAID has convened a working group that has met on a number of occasions. Terms of reference have been completed and released for engagement of a consultancy to undertake a LES salary review.
	Continue to identify efficiencies within Cardno corporate processes whereby the contracting and mobilisation of advisers can be expedited.	Cardno – HRM Manager	Underway - when approval is received from AusAID to contract an adviser, HRM Manager notifies the successful candidate and Cardno corporate immediately. Cardno corporate has pledged to contact the adviser within 24 hours to

Report section	Management action recommended	By whom	Progress
			commence the contracting process. There has been a reallocation of responsibility for contract negotiations within Cardno corporate in order to expedite the process.
	Better prioritisation and sequencing of the intake of key managerial positions well ahead of periods of intense program activity such as recruitment and procurement.	Cardno – Operations Manager	No action required for now; for consideration in other program start-ups and as situations emerge.
	Targeted advertising and head-hunting for specialised roles (such as M&E and financial advisers).	Cardno – HRM Manager	During the quarter, the Senior Program Coordinator (SPC) and HRM Adviser were recruited. Candidates for the SPC were sought through Cardno contacts and networks, as well as normal advertising. Previous applicants with skills and experience relevant to the position were also invited to apply. There was a good pool of candidates for this recruitment. The HRM Adviser position was not filled earlier in 2013 so candidates were sought from the first batch of applicants and existing contacts and networks. A suitable candidate was able to be sourced and quickly mobilised to address urgent needs in the Secretariat.
Section 16: Risk management - Secretariat expectations	Develop a PNDS-AusAID partnership plan outlining the support (human and financial) that AusAID will provide for PNDS.	AusAID Program Director	As per above for Section 4 and 10
	Establish closer liaison and communication between the Secretariat and Cardno so support needs are communicated quickly and effectively, and that support services can be provided according to the AusAID-approved partnership plan.	Cardno - Logistics and Office Manager	As per above for Section 8. The further development of the AusAID Implementation Schedule is anticipated to better define the scope and nature of support that will be provided and thereby allow the Secretariat to clearly identify funding gaps and risks.
	Improve Secretariat planning that articulates support requirements well in advance, so that AusAID can determine the extent of support and Cardno can implement in a planned manner.	Cardno – Senior Program Coordinator	Progress is being made – refer progress report against Section 8 and 10.
Section 16: Risk management - Training and	The Technical Training Specialist and the Training Manager to continue to meet weekly and review the upcoming basic techniques of	Training Manager	Low priority modules were identified and reduced in scope. This freed up time for training in the PNDS project cycle and

Report section	Management action recommended	By whom	Progress
learning standards	construction modules prior to their commencement in May 2013. There are a number of modules that could be removed from this section of the course allowing more time for trainees and trainers to focus on the core skills and knowledge required for PNDS start up.		facilitation skills.
	The Vocational Education Specialist and CNEFP to work together in Q4 to map out units of competency that can be extracted from the existing technical training program and map them to INDMO accredited units. Once identified, the Vocational Education Specialist and CNEFP will need to work with technical training team to make necessary changes.	Cardno - Vocational Education Specialist	Mapping of INDMO units against practical training activities undertaken.
	To continue to support the pre-planning of the financial training until the team is on board, it is recommended that the Vocational Education Specialist identifies relevant training material from the social training that can also be used and adapted for the finance training. Understanding PNDS, training and mentoring skills, social inclusion, and facilitation and communication skills are all core skills that the finance trainees also need to acquire.	Cardno - Vocational Education Specialist	Completed - material identified and adapted.
Section 16: Risk management - Cash management	Examine in more detail the feasibility and benefits of installing a security system in the Cardno safe room.	Cardno - Operations Manager	Not progressed
	Conduct an internal security review of cash management systems and take any necessary steps.	Cardno - Operations Manager	Internal review of cash management scheduled for August 2013 followed by internal and external audits in September-October 2013 that will examine, amongst other things, cash management practices and systems.
Section 16: Risk management - Monitoring and evaluation	Specialist M&E adviser inputs are allocated to the Cardno parts of the Support Program to allow for development of a M&E Plan and preparation of quarterly reports and other key M&E products.	AusAID Program Director Cardno - Operations Manager	Not progressed due to budget constraints.

Table 3. Key management recommendations made in the current report.

Key target output	Management action recommended	By whom	When
#1: 488 district and national staff for	Utilise Site Managers at the training centres to receive and check all applications on behalf of the secretariat.	Training Manager, HR Manager,	July-Aug 2013

Key target output	Management action recommended	By whom	When
PNDS Secretariat recruited		Office & Logistics Manager	
#2: Community financial management manual developed and approved	Ensure that capable members from the current Field Test Team are recruited into the national or district teams for 2014 implementation. This will assist in ensuring there are persons with detailed knowledge of financial management processes to support the scale-up across the country.	HR Department, PNDS Secretariat	Aug – Sept 2013
	Develop terms of references for PNDS departments to clarify roles in national level finance functions (eg. processing of grants, receiving reports and financial management support to the Secretariat) and the support to the district and sub-district staff.	HR Adviser with support from PFM Adviser	Sept 2013
#3: Suco banking and grant payment systems are designed and implemented	Prepare additional notes to guide facilitators through the bank account opening, vendor registration and payment request process.	PFM Adviser/FM Adviser	Sept 2013
	In order to prevent delays in national scale-up, establish a system where vendor registration and payment requests can be electronically submitted to National Secretariat. This will be dependent on proper facilities being provided at the district offices (eg. scanners, copiers, internet connections).	PFM Adviser/ Services Adviser	Oct 2013
#4: 40 people complete field test training	Incorporate feedback from the field test training into the social and finance training.	Social, technical and finance training specialists	August - December 2013
	Provide continued guidance and support to field test consultants.	PNDS Secretariat / field test adviser team	ongoing
#5: 100 trainees complete community mobilisation training	Distribute SDF Manual to second block of trainees at the commencement of the course.	Community Facilitator Trainers	Aug 2013
	Rotate trainees between groups for Block II of training.	Lead Community Facilitation Trainer	Aug - Sept 2013
	Introduce the multiple choice questionnaire on the project cycle, which was developed during the community training, to all three training programs as a test of trainees' understanding of the activities and guidelines in the project cycle.	Training Manager with relevant Adviser	Aug – Nov 2013
	Use in-service training and on-the-job coaching to supplement what trainees have learnt through the training.	Field Support Team	From Oct 2013
	All training materials be proof read and corrected by one translator at the conclusion of the finance training.	Consultant - translator	October 2013
#6: 100 trainees complete finance training	Revise the community project cycle and community finance management manual at the completion of training and the field test.	Relevant Adviser	Jan 2014
#7: 200 trainees complete technical training	If ports or markets are priority projects selected by sucos in 2014, incorporate training on these modules into 2014 refresher training.	Training team	2014
	Allocate even more days for revision if time allows in next quarter.	Training Manager and Technical	Aug 2013

Key target output	Management action recommended	By whom	When
		Training Specialist	
	Arrange an additional briefing by the Civil Service Commission to support trainees with interview and exam preparation.	CSC – facilitated through HRM Adviser	Aug 2013
#8: INDMO accreditation attained for technical, community and finance training	Work with SVTJ and CNEFP to discuss and formulate a plan to award qualifications to finance trainees under their registration.	Vocational Education Specialist	October 2013
	Develop a training and capacity development strategy for 2014-2015 for PNDS facilitators and field staff.	Training team	Oct -Dec 2013
#9: Field test completed in 30 sucos	Provide clearer and more transparent information about the funding aspects of PNDS.	Field test advisers; Secretariat finance team	Aug 2013
	Build solid communication plans and produce varied communication materials to be used throughout the project cycle.	Field test advisers; Secretariat communications team	Aug 2013
	Revisit POM and fill in the gaps therein and/or improve the sections that are not relevant in the field; and ensure that changes to the manual are communicated to field teams for transferal to communities.	Senior Program Coordinator; National Secretariat	Sept – Oct 2013
#10: MIS designed and developed ready for roll-out	Develop and approve a Request for Tender (RFT) for MIS design and development, and Request for Quote (RFQ) for associated system hardware and software.	ITC Manager, Operations Manager, AusAID	Aug 2013
	Proceed with tender assessment, award and supplier contracting.	ITC Manager, Operations Manager, AusAID	Sept 2013
	Liaise with Secretariat management about inclusion of an ITC Manager in Secretariat structure.	ITC Manager, HRM Adviser	Aug 2013
#11: Personnel recruited, contracted and mobilised as per personnel plan	Continue to liaise with AusAID about LES salary policy, particularly in light of upcoming changes under the new workforce management strategy.	Operations Manager	Regularly
	Communicate staffing priorities and needs so recruitments can be done in a timely and considered way that maximises opportunity for quality candidates.	Program Director, Senior Program Coordinator	Regularly
	Communicate changes associated with the new Workforce Management Strategy.	Operations Manager	Monthly
Section 15: Risk management			
Program pace and quality	To the maximum extent feasible, fast track all planning and preparations to meet the government decision for an October implementation date.	Cardno, AusAID, Secretariat	October 2013
	Ensure GoTL (including senior decision makers such as the Minister of Finance) are kept fully informed of progress, readiness status and attendant risks.	AusAID, Secretariat	ongoing
Engineering training design and accreditation	The Vocational Education Specialist and CNEFP to work together to map out units of competency that can be extracted from the existing technical training program and map them to INDMO accredited units. Once identified, the Vocational Education Specialist and CNEFP will need to work with the technical training	Cardno, CNEFP	Oct 2013

Key target output	Management action recommended	By whom	When
	team to make necessary changes.		
	Determine whether competency assessments can be carried out in 2014 during the implementation phase.	Cardno, CNEFP	Oct 2013
Finance training learning outcomes	Finalise development of the finance training curriculum.	Cardno	Aug 2013

3.5   Looking ahead

For the next quarter, strategic program activities will include:

- Assisting the Secretariat with recruitment, selection and mobilisation of national and district officers and sub-district facilitators (488 civil servants).

- Continuation of technical training and continuation and completion of community mobilisation and financial management training.

- Curriculum development, course planning and delivery of training for 100 district and national officers in October 2013.

- Revisions to the community management team (CMT) trainer's guides, based on feedback from the field test.

- Prepare submission to INDMO for the proposed new qualification 'National Certificate in Community Facilitation' for all three streams of technical, community mobilisation and financial training.

- Continuation of support for the PNDS field test including disbursement of infrastructure grants to 30 field test sucos.

- Taking guidance from the AusAID PNDS Implementation Schedule, development of a six-month plan for the Cardno components of the PNDS Support Program.

- Development of fully costed plans for activities to be supported and financed under the AusAID PNDS Implementation Schedule.

- Development and progressive implementation of a revised workforce management strategy that reflects the new directions and budget for the support program.

- Recruitment, contracting and mobilisation of the field support team.

- Development of a program monitoring and evaluation plan with associated performance indicators.

- Development, release and award of a tender for the design and development of the PNDS management information system (MIS); substantial progress in design and development is expected by end of the quarter.

- Progressive development of operational policies to support the transition of the program towards greater activity at sub-national level by program personnel. Target policies include various HRM issues (eg. overtime, time off in lieu), safety and security in remote areas, vehicle use and allocation, and communications.

PART A.   GOAL 1: PROVISION OF SUPPORT FOR GoTL POLICIES, SYSTEMS AND ACTIVITIES

4.   PROGRAM DESIGN, INTER-AGENCY PLANNING AND COORDINATION

This section describes the support that is provided to the PNDS Secretariat with design of the government program and associated planning and coordination activities.

4.1   Activity reporting

Refer to table in Annex A.

4.2.   Key target output

N/A

4.3   Overall assessment

The national level activities for PNDS preparation are on track. The PNDS design and legal framework is in place, the field test has commenced with a team of local consultants and advisers, and training for prospective PNDS staff is underway across the three streams of social, finance and technical facilitation. However there are risks that the timelines for PNDS recruitment will not be met. Concerns are also held for the still rudimentary nature of program M&E planning and systems.

The pressures in these two areas is due to a very ambitious government timetable and a shortage of appropriate technical advisers in the Secretariat. Advisers were mobilised in the quarter and have begun to address some of these gaps. There will continue to be urgency around the recruitment and mobilisation of facilitators and the development of the M&E framework into the next quarter; both areas will require management support. It will be important to continue dialogue with Secretariat staff about the AusAID PNDS Implementation Schedule and to agree on targets and resourcing and to meet key deadlines without significantly compromising quality.

4.4   Looking ahead

The key priorities and major activities and events to be undertaken in the next quarter are:

- Drafting and approval of ministerial decrees and diplomas covering the key PNDS policies and systems. The ministerial diploma will provide the legal basis to the three streams of training guidelines and other organisational systems.
- Coordination with other programs such as Decentralised Development Package (PDD), Integrated District Development Plan (PDID) and sector programs.
- Conduct of district market surveys to allow for development of a district pricing baseline. This will create PNDS standards on materials and pricing, to be updated annually, to assist suco communities in their procurement.

- Assist the Secretariat with development of an audit policy, capacity building of the Internal Audit Department in MoSA and identification of funding for internal audit operations.

5. HUMAN RESOURCE MANAGEMENT

This section describes the support that is provided to the PNDS Secretariat with personnel management (recruitment, selection, contracting, mobilisation and induction of civil servants and trainees). Management activity associated with Cardno personnel is covered in Section 12.

5.1 Activity reporting

Refer to table in Annex A.

5.2 Key target output #1: 488 district and national staff for PNDS Secretariat recruited

5.2.1 Reach and coverage

Trainees were recruited and contracted in the quarter as follows:
- 98 community mobilisation (social) trainees (26% female)
- 96 finance trainees (66% female)
- 191 technical trainees (recruited in quarter 3).

All trainees were contracted with the intent that they will be mobilised to their own sub-district if and when recruited as civil servants. There are 78 social, 78 finance and 122 technical facilitator positions available in the PNDS program.

To be successfully appointed as a civil servant, trainees must pass through a rigorous selection procedure. The requirements are a mark of >60% (or equivalent)[5], passing the civil servant exam, and performance at a formal interview.

5.2.2 Quality

Based on a preliminary assessment of test results from the three training streams, it is considered that there will be enough suitably qualified trainees available to undergo the selection procedure. The process for recruitment complies with CSC requirements. There is a very tight timeframe between completion of social and finance training (18 and 23 September 2013 respectively) and the October 2013 start date for mobilisation of new facilitators. Progress towards this target is currently adequate but overall must be considered at risk.

5.2.3 Implications

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[5] The technical trainees require a >60% score to pass their training; the finance and social trainees are being graded on a competency based assessment system thus are required to be 'competent' in every module to pass the course.

If social and financial facilitators are not mobilised by mid-October 2013 then the PNDS implementation cycle, at field level, may be delayed and this would have significant implications for program implementation (explored in full in Section 6.4).

5.2.4 Management action taken

Management action taken	By whom	When
HR Adviser engaged to start on 5 August 2013 – Cardno HRM Manager, Training Manager and Corporate Services Adviser supporting the PNDS recruitment team in the interim.	Corporate Services Adviser	July 2013
Establish detailed facilitator recruitment plan and obtain agreements with CSC.	Training Manager & HRM Manager	July 2013

5.2.5 Management action recommended

Management action recommended	By whom	When
Utilise Site Managers at the training centres to receive and check all applications on behalf of the secretariat.	Training Manager, HR Manager, Office & Logistics Manager	July-Aug 2013

5.3 Overall assessment

Progress is on track, even with the delay in recruiting the HR Adviser. However, there are a number of risks associated with future recruitment activities and these require a very high level of output for the HR Adviser and Secretariat HR team during August and September 2013. Due to the extremely tight timelines, any delays may mean that the October 2013 deadline for beginning the first cycle of full implementation may not be achieved.

5.4 Looking ahead

The key priorities and major activities and events to be undertaken in the next quarter are:

- All social and financial facilitators mobilised as civil servants by the beginning of October 2013.

6. PUBLIC FINANCIAL MANAGEMENT

This section describes the support that is provided to the PNDS Secretariat with public financial management (PFM). Management activity associated with Cardno financial management is covered in Section 11.

6.1 Activity reporting

Refer to table in Annex A.

6.2 Key target output #2: Community financial management manual developed and approved

6.2.1 Reach and coverage

Training and briefings associated with the Community Financial Management Manual (CFMM) were delivered to 261 people (142 men, 119 women) across five field test districts (Table 4); this reach and coverage is considered adequate.

6.2.2 Quality

The Community Financial Management Manual includes the detailed processes, procedures and templates for implementing PNDS at community and government levels. The manual is a complete guide to managing PNDS finances and it includes all forms used during the program cycle. The manual was designed to ensure the transparent and accountable use of PNDS funds whilst at the same time providing a system that was easy to follow at suco level. The Manual is based on best practices for financial management and procurement, however the forms and procedures have been specially modified to suit the capacity of communities in Timor-Leste. For example, the procurement and tendering procedures have been simplified when compared to government processes – this is so communities are able to implement these processes, but at the same time ensure the best value for money.

Table 4 Training and briefing sessions for community financial management

Training/briefing	Timing	No. of participants	No. of men	No of women	Location
General briefing on PNDS financial management systems	May 2013	45	34	11	Dili
Training for field test sub-district financial facilitators in PNDS financial management systems	May 2013	8	5	3	Dili
Briefing for key counterparts in Ministry of Finance	June 2013	10	8	2	Dili
Briefing for Council of Directors, Ministry of State Administration	July 2013	20	15	5	Dili
Training for 2014 Sub-District Financial Facilitators	July-September 2013	96	31	65	Dili
Briefing for 2014 Sub-District Social Facilitators	July 2013	46	31	15	Dili
Training for EIP Treasurers and Secretaries	July-August 2013	36	18	18	Dili, Ermera, Liquica, Manatuto, Ailieu
Total		261	142	119	

The PNDS financial management procedures have been developed under very tight deadlines which arose due to delays in the recruitment of financial management advisers. The PFM Adviser only started his assignment in late April 2013 and was required to deliver a training module on financial management systems to the field test team in late May 2013. This activity came at the expense of procedural and systems development.

The manual was developed in consultation with key stakeholders from the Ministry of Finance, the Finance Directorate of the Ministry of State Administration, the PNDS Secretariat, and district and sub-district staff from the field test.

The manual has been developed in both Tetum and English to cater to various users across PNDS. The language used has been simplified to facilitate ready comprehension by users. The names of forms and templates are consistent with those commonly in use for financial management in Timor-Leste.

The systems have also been designed to ensure efficiency. During development there was often pressure to include additional levels of approval on certain forms. Whilst all forms and key processes will have appropriate oversight, the approvals have been minimised so that the systems will be efficient and not delayed by undue bureaucracy.

Taking account of the above context, the quality of the manual has been assessed as very high. This is based on the following factors:

- The manual was approved with no modifications by the Council of Directors of the Ministry of State Administration. The Minister made the comment that other divisions needed to bring policies and systems to Council of Directors that were already well developed like this manual.
- Feedback from the Treasury has been generally very positive and there have been no changes requested to the procedures, processes and formats.
- Early stages of implementation of the manual have gone very well. The bank account opening and disbursement of operational grants to the field test sucos went very smoothly (see Section 6.3) and in accordance with systems set out in the manual.
- The first round of community training in late July indicated that the level of materials included in the manual was appropriate to the local environment. The EIP Treasurers for the field test were able to complete key forms and processes such as updating the cash books and payment vouchers during this training.

The amount of counterpart involvement in development of the manual was less than ideal and attributable to:

- The PNDS Secretariat did not have an adequate level of financial management staff in place. Only one officer was in place during the development of the manual and this officer was engaged in other basic financial management activities for the secretariat.
- The tight deadlines imposed by the need to deliver training to the field test teams in late May meant the PFM Adviser had to develop systems very quickly and this left limited opportunity for consultation workshops with secretariat staff.

6.2.3   Implications

Inadequate counterpart involvement in the development of systems can result in a lack of ownership and knowledge of these systems by secretariat staff during the field test and beyond. If the secretariat does not have staff at national level who have full knowledge and ownership of the systems there are risks that the systems will not be uniform across the country; this also raises issues for program oversight.

6.2.4   Management action taken

Management action taken	By whom	When
Lack of counterparts was raised with Secretariat management	PFM Adviser	June 2013

– as a result one of the field test team was reallocated to work at national level.		
Ensured key counterparts delivered briefings to external parties on financial management systems (eg. to MoF and to Council of Ministers) - this was to foster greater ownership of the manual.	PFM Adviser	June – July 2013

6.2.5 Management action recommended

Management action recommended	By whom	When
Ensure that capable members from the current Field Test Team are recruited into the national or district teams for 2014 implementation. This will assist in ensuring there are persons with detailed knowledge of financial management processes to support the scale-up across the country.	HR Department, PNDS Secretariat	Aug – Sept 2013
Develop terms of references for PNDS departments to clarify roles in national level finance functions (eg. processing of grants, receiving reports and financial management support to the Secretariat) and the support to the district and sub-district staff.	HR Adviser with support from PFM Adviser	Sept 2013

6.3 Key target output #3: Suco banking and grant payment systems are designed and implemented

6.3.1 Reach and coverage

Sixty (60) bank accounts were opened in the 30 field test sucos (two per suco) and 30 operational grant transfers were made to suco bank accounts. During design and implementation of these systems, 161 people across five districts and multiple stakeholder groups (PNDS, MoSA, BNCTL, MoF, community) were involved (Table 5). Overall, the reach and coverage of the output is considered adequate.

Table 5. Stakeholders involved in design and implementation of banking systems.

Stakeholder	No of persons	Location
PNDS Secretariat	10	Dili
MoSA Finance Directorate	3	Dili
BNCTL	8	Dili
Treasury, Ministry of Finance	10	Dili
District Accountants	2	Dili, Ermera, Liquica, Manatuto, Ailieu
Sub-District Financial Facilitators	6	Dili, Ermera, Liquica, Manatuto, Ailieu
EIP and KPA bank account signatories	120	Dili, Ermera, Liquica, Manatuto, Ailieu
Total	161	

6.3.2 Quality

Quality has been assessed by the results obtained in the field test in particular the length of time taken to complete tasks and whether this was consistent with the PNDS work plan. Bank accounts were opened within 1-2 weeks of the election of the suco structures and proceeded very smoothly with the bank account signatories bringing all of the required documents to the bank and the accounts generally being opened on the same day.

Quality was also assessed by examining the average processing time for the payment of the operational funds (Table 6).

Table 6. Average processing time for the payment of the operational funds

Department/Institution	Average processing time (days)	Details of processing (what they are required to do)
PNDS Secretariat	5	Compliance checking after receipt of payment request from district teams
MoSA Finance Directorate	1	Entering commitment in FreeBalance
Treasury (MoF)	11	Compliance checking and issuing Treasury Payment Order
Central Bank and BNCTL	2	Completing transfer of funds to suco bank accounts
TOTAL	19	Total time from receipt of payment request at national level to receipt of payment in suco bank account

This processing time was very good considering this was the first ever payment of PNDS grants and these were well under the normal processing time for payments. Close coordination throughout with the Financial De-concentration Directorate in the Ministry of Finance was crucial in maintaining these timelines.

Quality was also assessed in terms of compliance with PNDS and GoTL systems for disbursement of grants. The bank account opening and payment of operational grants were made in accordance with all relevant rules and regulations, including the PNDS Decree Law (No 8/2013), Government Decree on Public Transfers (No. 1, 2009), the Program Operations Manual and Community Financial Management Manual.

During implementation it was noted that insufficient guidance was provided during the field test training and in the manual to guide the sub-district facilitators through the account opening and grant disbursement process. This was due to the limited time available for preparation of the manual and the training program, and that this was the first time the PNDS Secretariat has gone through this process, meaning new issues arose along the way.

Overall, the output is considered to be of excellent quality.

6.3.3 Implications

Whilst the initial guidance was inadequate, this was fairly easily resolved by the issuing of a checklist for bank account opening. This checklist has been included in the training for 2014 sub-district finance facilitators. In addition to this more detailed guidance, notes will be prepared specifically for the 2014 facilitators to guide them through the bank account opening, vendor registration and grant payment processes. Therefore, there are no significant implications arising from this issue.

6.3.4 Management action taken

Management action taken	By whom	When
Bank account opening checklist developed	PFM Adviser	June 2013
Strong links developed with key stakeholders (in MoF, MoSA)	PFM Adviser	May – July

to assist with processing of payments.		2013

6.3.5   Management action recommended

Management action recommended	By whom	When
Prepare additional notes to guide facilitators through the bank account opening, vendor registration and payment request process.	PFM Adviser/FM Adviser	Sept 2013
In order to prevent delays in national scale-up, establish a system where vendor registration and payment requests can be electronically submitted to National Secretariat. This will be dependent on proper facilities being provided at the district offices (eg. scanners, copiers, internet connections).	PFM Adviser/Operations Adviser	Oct 2013

6.4   Overall assessment

Generally, the financial management area of PNDS is proceeding well and financial management systems are already in place and responding very well under the field test conditions.

However, some risks have been identified for the scale-up of the 2014 cycle, mainly due to the very ambitious scheduling of GoTL. The 2013 budget for PNDS includes the payment of the operational grant for sucos in late 2013, totaling approximately $2,060,000. As required under the PNDS Decree Law 8/2013 and Government Decree 1/2009 the funds will be directly deposited in PNDS suco bank accounts. Sub-district facilitators and district accountants (yet to be appointed and this is part of the problem) will be deployed to the sub-districts in early October to facilitate this process.

Based on the experience of the current field test for 30 sucos, it has taken around seven weeks from the time of the deployment of the facilitators until the submission of the payment requests to MoF. The MoF Circular on the Execution of the State Budget (002/GMF/2013) requires that all payment requests be submitted to Treasury by 29 November 2013. Therefore, it is very possible that the PNDS Secretariat will not be able to submit payment requests for all sucos before this deadline. Program implementation will be slowed down significantly if the payments are not made out of the 2013 budget, and even more so if there is a delay in the promulgation of the 2014 budget. This would leave only 8-10 months to complete the PNDS cycle in 2014.

High risk areas for delays in getting the payments out before the end of the year include:

- Contracting of the facilitators – this will need to be managed and expedited through the Civil Service Commission. Processing of recruitments is generally accepted to be a slow and frustrating process across the entire government.
- Conducting socialisations and elections in the sucos – this process was completed in a month across 30 sucos and with high levels of support from the national office and advisers. This may take longer over 412 sucos with lower levels of technical and logistical support being able to be provided due to distances involved and workloads.
- Opening of bank accounts – The BNCTL was very responsive in opening the bank accounts for the 30 sucos with the process being complete in a week. However, when opening accounts for all sucos in a district this will place additional pressures

on the BNCTL and they may not be able to respond so quickly (eg. Baucau has 59 sucos).

- Signing of annual grant agreements – this requires signing from the Xefe Suco and the District Administrator. This may take longer when more sucos are involved.
- Processing of vendor registrations by the Treasury – this may take longer due to the higher number of sucos and also as it will be the busiest time of the year for the Treasury leading to the year-end close off.
- Processing of payment requests in FreeBalance by MoSA Finance Directorate – there is only one officer allocated to do this task at present, therefore, this may take significantly longer for 412 sucos.

Actions taken at present to manage these risks include:

- A request for an extension for submission of payment requests until 20 December 2013 is being submitted to Treasury.
- Completion of the training programs and recruitment are being managed to ensure that facilitators are on the ground in early October.
- Requesting the delegation of processing in FreeBalance from MoSA Finance to the PNDS Secretariat before the national scale-up.
- Ensuring adequate resourcing of the PNDS Secretariat Finance Department to handle the high volume of grants to be processed.
- Working with the Financial De-concentration Directorate in MoF to ensure that payment requests will be processed promptly in Treasury.

6.5   Looking ahead

The key priorities and major activities and events to be undertaken in the next quarter are:
- Financial management training modules H (financial management phase 2) and K (financial management phase 3) at community level.
- Establishment of the system for recording and aggregating monthly financial reports from sucos.
- Support the disbursement of infrastructure grants to 30 field test sucos
- Support national and district accountants and sub-district facilitators in monitoring compliance with financial policies.
- Planning for 2014 scale-up including ensuring appropriate resources and systems are in place to cope with high volumes and tight deadlines.

7.   TRAINING
This section describes the planning and implementation of training activities. Gender and disability issues related to training are addressed in Section 14.

7.1   Activity reporting

Refer to table in Annex A.

7.2   Key target output #4: 40 people complete field test training

7.2.1   Reach and coverage

The field test training was completed by 45 participants (75% men, 25% women). Overall, this reach and coverage is adequate although representation by women is well under the ideal. Participants were a combination of consultants and public servants and came with a variety of experience across national, district and sub district level positions. They represented six key streams – engineering, finance, social, monitoring and evaluation, management information systems and communications.

The training methodology over the three weeks was a combination of large group information sessions, small group discussions, breakout sessions (by stream) and practical exercises. The technical stream was delivered in Indonesian, other streams in Tetun.

7.2.2   Quality

The field test training was originally planned to be designed and delivered by the field test technical advisers. However, due to inadequate notification from the Secretariat and then delays in recruitment, the technical adviser team was not on board until just before the training commenced. This meant that advisers from the other training teams were diverted from their scheduled activities to instead focus on the field test training. The time to prepare the materials was insufficient with only two weeks available during which time the Program Operations Manual had just been approved and a Community Finance Management Manual was being drafted to feed into the finance component of the training. The hard work, dedication and enthusiasm of the training team resulted in the delivery of a successful three-week field test training. However the methodology used did not incorporate comprehensive exercises, games and energisers that the team would otherwise have used had there been more time to plan and prepare.

The quality of the training was assessed through evaluation forms and small group simulation exercises in which trainees' trialled each of the key activities that they learnt in class. The practice sessions helped to verify that the trainees had a good understanding of the new activities and skills learnt ie. election process, project prioritisation, opening a bank account, preparing a cash book, verifying project proposals. The trainees responded well and stayed focused and participated in all sessions.

The formal evaluation provided more direct recommendations and comments around the quality of the course. Below is a sample:

Recommendations	General comments
Slow down the explanation of presentations so that we can understand it better	We need to learn more because all materials that we got help us in running PNDS programme and also increase our capacity
Don't mix all groups (technic, social and finance) in one class	Good facilitation of module
One trainer needs to be responsible for each presentation don't take over explanations from each presenter	Like the training and enjoy with the training
All information need time, need more time to relearn all topics	Thank you for share experiences for us
Need to create the good forms, so it's easy for facilitators to fill in	Need one more training for next month (July)
Run the session according to the timetable	Has not clear response of some sensitive question related to POM, from secretariat

Recommendations	General comments
Revise and complete the materials before dividing to participants - Module isn't perfect yet	Sometimes it was too noisy to concentrate
Apply games in class teaching so it not seem monotone and bored	Trainer's created a participative environment, open to everybody's ideas

In general, the field test training was well received by the trainees. Useful suggestions were made by trainees on ways to improve the training and these have been taken into consideration with other courses.

7.2.3   Implications

The standard of the field test training was compromised due to time constraints in material and team preparation. Despite this, the overall objective of introducing the PNDS cycle, key systems and forms to the field test team were met. It was communicated to trainees on several occasions during the training that they had been recruited as a "field test" team and part of that "testing" would be "testing" the training. Follow up support mechanisms were recognised as a crucial continuation of the training to support the field test team effectively.

7.2.4   Management action taken

Management action taken	By whom	When
PNDS support program staff visited the field test training to check on quality and outputs throughout the training	Cardno / Secretariat	May 2013
Field test technical advisers were placed with field test teams to provide further training and guidance	Cardno	May 2013
Monthly field test coordination meetings set up to support district & sub district field test consultants	Social Development Adviser	May - Dec 2013
Weekly management meetings at national level conducted to discuss and resolve key issues from the field	Technical Adviser / National Officers	Ongoing

7.2.5   Management action recommended

Management action recommended	By whom	When
Incorporate feedback from the field test training into the social and finance training.	Social, technical and finance training specialists	June - July 2013
Provide continued guidance and support to field test consultants.	PNDS Secretariat / field test adviser team	ongoing

7.3   Key target output #5: 100 trainees complete community mobilisation training

7.3.1   Reach and coverage

Community mobilisation training (Block 1) was completed by 46 trainees (67% men, 33% women) from six districts – Aileu, Baucau, Dili, Ermera, Liquica and Manatuto. This reach and coverage is considered adequate. The graph below shows how trainees are represented by gender and highest education level:

TRAINEES BY DISTRICT
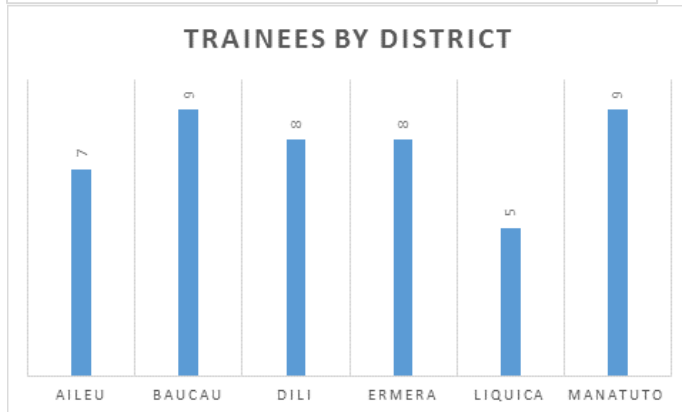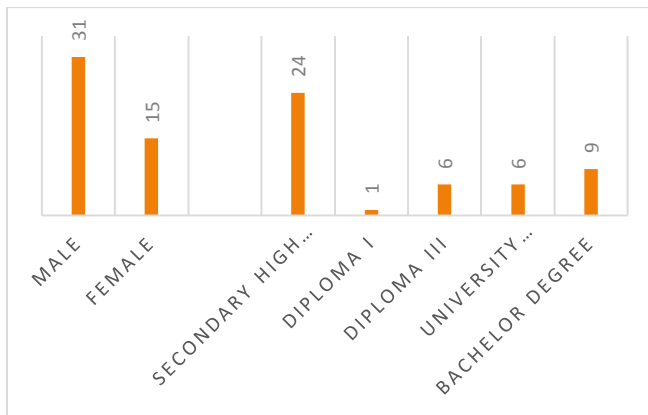
The first block of the community facilitation training was officially opened on 24 June 2013 by the Secretary of State for Local Development and AusAID. The teaching approach was practice based – skill practice on several occasions in the training and two days in the field. The training was delivered by one international training specialist and six Timorese trainers contracted by Cardno and training partner, Sentru Treinamentu Vokasional Juventude (STVJ).

7.3.2 Quality

Trainees were taught eight modules during the six-week training using the Trainers Guide for Training Sub District Social Facilitators as their resource. Each module had a series of assessments' all of which were competency based. Key outputs of the training were new skills and confidence by trainees to do various practical tasks. For example: presenting PNDS using the flipchart, social mapping, facilitating discussion on project priorities, conducting training for Community Management Teams, organising a complaints handling process, mentoring and coaching. Trainers observed that trainees' skills and confidence improved considerably over the six-week period and when assessed, more than 90% of trainees demonstrated that they could do each task at a 'very competent' level. In addition, two multiple choice tests were provided to measure participants' knowledge of training materials - 40 out of the 46 trainees performed at a very high level scoring over 70% in both tests.

Daily, mid-course and end of course evaluations were conducted to measure the quality of the training and to make changes as required. The satisfaction levels of trainees were extremely high with more than 90% of trainees "always" enjoying the trainer's presentations, group work and practice sessions.

	Never	Sometimes	Often	Always
I enjoy the trainers presentations	0	0	6%	94%
I enjoy the class discussion	0	0	15%	85%
I enjoy the table group work	0	0	15%	95%
I enjoyed the practice and feedback sessions	0	0	6%	94%

The following are an extract of comments from the daily and end of course evaluations:

"Good discussion on how we can maximize women's participation in community meetings"

"This was one of the best workshops I've attended. We worked very hard, but at the same time we really enjoyed
ourselves. The songs and clapping and the different methods kept up our energy and enthusiasm"

"Some trainees don't listen to each other and it can get very noisy"

"I liked the wide range of methods used in the workshop – table groups, rotational brainstorming, role playing, skill practice, picture-discussion, etc. These methods kept everyone awake and interested"

"I've learned the importance of careful planning and preparation for training. We need to put a lot of time into preparation – just as the trainers have done for this workshop"

"I liked hearing about the real experience of people with disability, presented directly by people with disability"

"Trainers have not provided us with a manual"

"Need for more clarification on the competitive selection process by Civil Service Commission"

"It was a wonderful learning experience for me - a chance to learn and practice new skills. I learned a lot about myself, especially how I perform as a presenter and facilitator. It really boosted my confidence"

Trainee feedback indicates high levels of satisfaction around the teaching methodology of the course, a good understanding of the importance of social inclusion in community facilitation, and the importance of planning and preparing for training. Key areas that require more attention are the provision of a resource manual for trainees, better clarification about the civil service selection process, and the level of noise during the training.

Separately, the trainers undertook a self-evaluation of the first block of training and identified strengths and weaknesses. The strengths included:

- Strong teamwork and mutual support – good relations among trainers and helping each other
- Good rotation of tasks within the team so everyone felt involved and was making a contribution
- Experienced, hardworking and supportive participants – lots of good will, no one negative

- Use of tables and table groups worked well at getting lots of interaction among trainees.

Areas for improvement included:

- More frequent rotation of table groups so that trainees get a chance to work with other trainees
- More focused feedback on the role plays so that trainees learn from them
- Time management: the trainer responsible for a session needs to work out beforehand the estimated time needed for each activity. If more time is needed, the trainer should negotiate with the team leader for additional time.

Other contributing factors

The training course was originally designed to be residential. Due to the lack of available training venues at the time, the finance training was also required to be housed at the same location. Having two cohorts of trainees studying at the same facility, one in residential mode and one not, was perceived to be high risk because of the discrepancy in allowances received and freedom of movement. As a result, the community training course was re-designed to non-residential mode.

7.3.3 Implications

- Handouts were provided to trainees throughout the modules to support classroom discussion. The training manual was finalised part way through the course and distributed at the end of the training. The implication of this was that trainees did not have a resource in front of them to mark up and make notes on as topics were covered; trainees indicated they would have preferred this.
- The lack of clear information about the civil service recruitment process made trainees apprehensive especially when the official advertisement was released. Trainees still focused on classroom discussion but out of class discussion centered on the requirements of the advertisement.
- The decision to teach the community training in non-residential study mode meant that two modules were removed from the training. Initially trainers were apprehensive by the change but at the end of the six weeks they felt that the training had sufficiently covered all necessary topics to support trainees in their job. Trainees were also very diligent about arriving on time and working hard during class hours. Therefore, there were no major implications arising from this change.
- Non-residential study mode also meant that the trainers would have less time for reflection, preparation and follow-up as they would be travelling to and from the training facility daily, adding to the demands of teaching an intensive six week program.

7.3.4 Management action taken

Management action taken	By whom	When
Approval sought and received for trainers to reside at the training venue during the community facilitation training.	Training Manager	Jun 2013
Training schedule re-designed to support non-residential study option.	Social Training Specialist	June 2013

Briefing provided by the PNDS Secretariat about the civil service recruitment and selection process	PNDS Secretariat	July 2013

7.3.5 Management action recommended

Management action recommended	By whom	When
Distribute SDF Manual to second block of trainees at the commencement of the course.	Community Facilitator Trainers	Aug 2013
Rotate trainees between groups for Block II of training.	Lead Community Facilitation Trainer	Aug - Sept 2013
Introduce the multiple choice questionnaire on the project cycle, which was developed during the community training, to all three training programs as a test of trainees' understanding of the activities and guidelines in the project cycle.	Training Manager with relevant Advisor	Aug – Nov 2013
Use in-service training and on-the-job coaching to supplement what trainees have learnt through the training.	Field Support Team	From Oct 2013

7.4   Key target output #6: 100 trainees complete finance training

7.4.1   Reach and coverage

Finance training is being delivered to 96 trainees (33% men, 67% women) with representation across all 13 districts of the country. This reach and coverage is considered excellent. The graphs below highlight how trainees are represented by gender, education level and district.

TRAINEES BY GENDER & EDUCATION
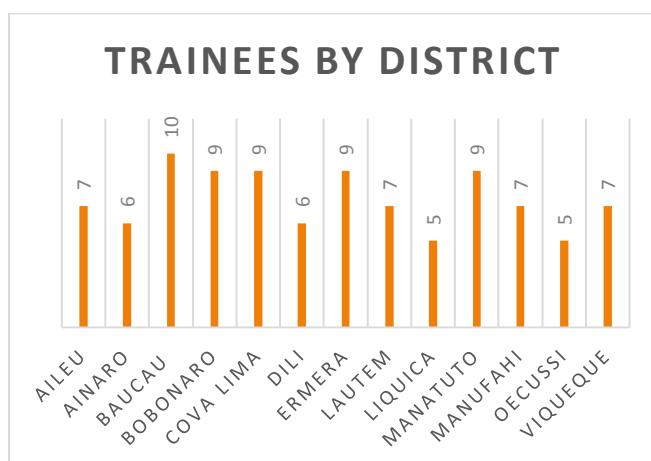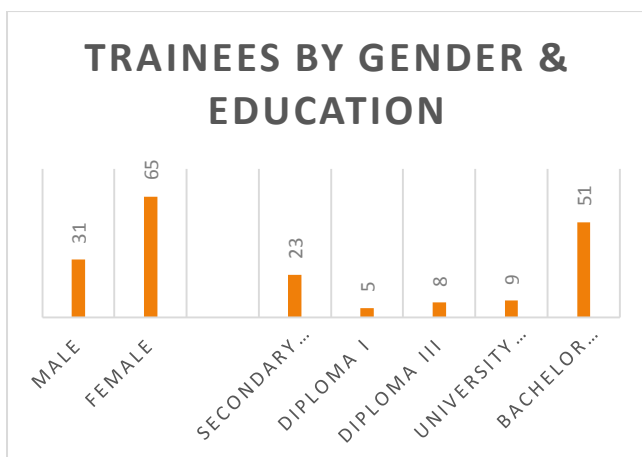
The finance training was officially opened on 8 July 2013 by the Secretary of State for Local Development and AusAID. The teaching approach is student centred and competency based, focusing on what trainees need to know at each step of the PNDS cycle. There are a combination of small group activities, large group lectures, practical exercises, and individual tasks. The training is being delivered by five Timorese trainers contracted by Cardno, and training partner, Empreza Diak, and supported by two international training specialists.

7.4.2   Quality

Trainees have been divided into five classes by district so that trainees who may work together in the field are gaining confidence together now. The two international training specialist's provide quality control and supervision for the five classes, as well as module preparation. There are many interactive sessions and opportunities for trainees to practice their presentation skills and develop confidence within themselves and in their ability to speak in public. Innovative materials have been incorporated into the design to ensure a mix of fun and learning in numeracy and finance. The trainees have been extremely competitive and aware of the requirements of their contracts and commitment to the course. There has been only one leave day taken during the first month of training.

Different assessments are undertaken at the end of every module - some are practical and others are reviews by the trainers on progress being made with documents (forms) that trainees will use in the field. Examinations are also being given at regular intervals. To date these have included an initial numeracy test (first day of training) and a follow-up test at the end of July. Results showed that 84% of trainees passed their first finance test, but only 50% passed the second test. More work will be required by the finance training team to identify where weaknesses lie amongst trainees and focus on strengthening these areas in the training.

A trainee evaluation exercise was undertaken at the end of the third week. This showed that the majority of trainees are comfortable with the style of training and have moved from not knowing some materials to an understanding of the topics. Below is a summary of trainee feedback:

	Never	Sometimes	Often	Always
Sessions are enjoyable	0	0	30%	70%
Satisfied with teaching style of trainer	0	3%	18%	79%
Material is relevant	0	2%	31%	67%

Some additional comments were also provided

"The classes are great and trainer always responds to my questions"

"I am happy with the training approach used by the trainers and feel that I have increased my knowledge in finance"

"I would recommend that the trainer's give us back our results for the assessments"

"No comment because I understand everything the trainer is teaching"

"I have learnt a lot and will apply it in my sub district / suco"

"I like the trainer's style, it makes it easy for me to understand"

Other contributing factors

There were a number of additional factors that impacted the finance training this quarter:

- Poor translations: some of the translations of training materials (handouts and assessments) to Tetun have not been of a consistent standard. Not enough time has been allowed to check the documents before they have been used. Use of a number of different translators and quick turnaround times for materials has resulted in this outcome.
- Quality of reference manuals: there have been instances where the content of the community project cycle manual and the community financial management manual were not clear, inconsistent and missing relevant information and examples that can be used as training guidelines.
- Delay in recruitment of second national finance trainer: it took many months to be able to recruit a qualified finance trainer. The second finance trainer was only employed three weeks prior to the commencement of the finance training.

7.4.3 Implications

- If trainee finance results do not improve, there is a high risk that 78 trainees will not be suitable for finance facilitator positions.
- Due to the lack of time to properly cross-check translations, several of the assessments have been confusing for trainees and some of the training material confusing for trainers. Where time has allowed, resources have been corrected and have had to be re-printed; this has cost implications.
- The implications of material being missing or unclear in reference manuals means that further follow-up and clarification is required by the training team before training materials can be finalised. This is time consuming and not effective when under pressure to write and deliver training in a short timeframe. It also has long-term implications for the program if clear answers to procedures are not outlined in the reference manuals.
- The delay in the recruitment of the second national finance trainer resulted in less preparation time being available to write and learn materials prior to training commencement.

7.4.4 Management action taken

Management action taken	By whom	When
Strategy meetings held between finance training team and Vocational Education Specialist (VES) to redesign finance tests and training assessments.	VES, Finance Training Specialists, Training Manager	Ongoing
Extra time has had to be allocated to fully explain assessment tasks to trainees prior to commencing to make sure they understand what is being requested of them.	Finance Trainers	Ongoing
Missing and unclear information from reference guidelines is being documented into a single source for review at the end of the training.	Finance Training Specialist / Empreza Diak Lead Trainer	Ongoing
Trainee assessment results to be provided to them at mid-term and end of course.	Finance Trainers	Aug & Sept 2013

7.4.5 Management action recommended

Management action recommended	By whom	When
All training materials be proof read and corrected by one translator at the conclusion of the finance training.	Consultant - translator	October 2013
Revise the community project cycle and community finance management manual at the completion of training and the field test.	Relevant Adviser	Jan 2014

7.5   Key target output #7: 200 trainees complete technical training

7.5.1   Reach and coverage

Since commencement two trainees have withdrawn from the course, four have been asked to leave as they have exceeded their leave days and one was terminated due to misconduct. There are currently 184 trainees (73% men, 27% women) participating in the training with representation across all 13 districts of the country. This reach and coverage is considered adequate.

The graphs below highlight how trainees are represented by gender, education level and district:

TRAINEES BY GENDER & EDUCATION

MALE	FEMALE	SECONDA...	TECHNIC...	DIPLOMA I	DIPLOMA...	DIPLOMA...	UNIVERSI...	BACHELO...
135	49	67	21	13	2	26	29	26

TRAINEES BY DISTRICT

AILEU	AINARO	BAUCAU	BOBONARO	COVA LIMA	DILI	ERMERA	LAUTEM	LIQUICA	MANATUTO	MANUFAHI	OECUSSI	VIQUEQUE
13	10	22	16	14	11	19	19	10	13	11	12	14
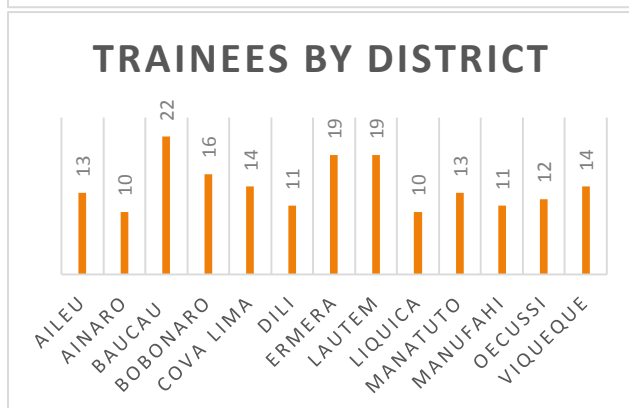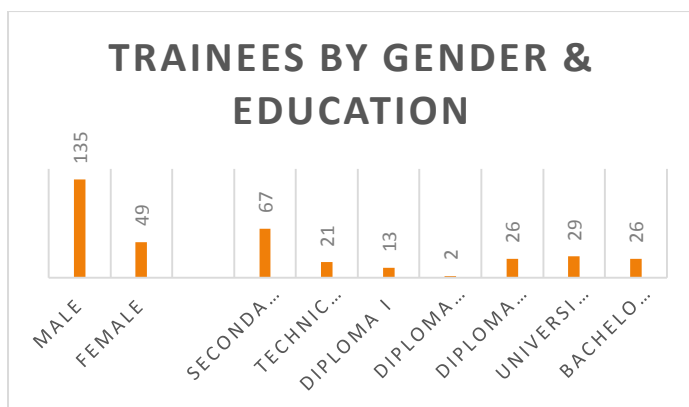
The technical training course is being taught using lecture style approach, experience reflection, classroom discussion, case study exercises and practical activities. The training is being delivered by eight international engineers, five Timorese engineering trainers contracted by Cardno, and eight trainers from training partner, CNEFP.

7.5.2 Quality

The quality of the technical training is measured through daily evaluation forms from the trainees, trainee results and observation by the Training Manager, Vocational Education Specialist and CNEFP Program Manager. A sample of daily evaluation forms shows that trainees are very satisfied with the course: 96% of trainees find the training materials useful to support their activities, 89% can easily understand the material provided, 84% are satisfied with their class dynamics, 90% believe that the teaching methodology is good or excellent, and 81% are satisfied with the training resources provided. The table below outlines this analysis:

Area of assessment	Rating by % of trainees			
	Excellent	**Good**	**Average**	**Poor**
Usefulness of materials	60	35	3	0
Understanding of materials	35	53	10	0
Class dynamics	35	48	14	2
Teaching methodology	37	52	9	0
Training resources provided	37	43	17	1

Some additional comments from trainees are:

> *"Everything is on target but it would be good to revise the materials again to absorb the information more"* – Material Technology
>
> *"These materials will help me to perform well and be ready to speak in public"* – Facilitation and Socialisation
>
> "*The teaching method is good but the delivery is too fast. This is especially difficult for some of my friends with less formal education*"

> *"I hope that there are practical's so as to deepen my understanding of materials further"* – Water Supply
>
> "*There is not enough time to understand the materials that we receive from the instructors"* – Simple Roads

Trainee feedback indicates that additional time to revise and absorb materials and to undertake practical components will improve the quality of the training. The Technical Training Specialist, Training Manager, Vocational Education Specialist and CNEFP Program Manager also identify these as key areas for attention. Additionally, more attention is required to strengthen trainee skills in communications, facilitation, mentoring and coaching techniques - 9% of trainees achieved less than 60% in this module[6] and 32% achieved less than 70%.

Technical trainee results following the completion of 15 modules show that 82% of trainees have passed all modules and are equipped to survey, design, cost, plan and construct basic civil engineering infrastructure. Approximately 50 trainees were required to repeat at least one module in order to achieve the minimum 60% for the subject. Weak modules besides facilitation and communication were technical drawing (15% of trainees achieved less than 60%), soil mechanics (14% achieved less than 60%) and sanitation (16% achieved less than 60%). Overall, 65% of trainees are passing the course with averages greater than 70%.

Other contributing factors

There were a number of additional factors that impacted the technical training this quarter:

- Public service announcement for technical facilitator positions: when the advertisement for positions was released, technical trainees felt that the process had not been communicated to them properly and as a result would not attend class until a representative of the government addressed them. Classes were interrupted for one full day.
- Change in scope for practical exercises: the training team designed four practical infrastructure exercises. When these were tabled at a regular management meeting, it was highlighted that the Cardno – AusAID head contract did not allow for permanent asset construction of any kind. As a result, the trainees will no longer be able to build a concrete bridge or sanitation block as part of the training package.
- Delay in recruitment of national engineering trainers: two more rounds of interviews took place this quarter. Three people were offered positions and two accepted. By 30 June there was five national engineers on the team. In July one resigned taking the team back to four.

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[6] 60% and above is considered a pass

7.5.3 Implications

- If not enough time is allocated to the teaching and revision of core modules, there is a risk that Sub District Technical Facilitators (SDTF) will not be fully equipped to support the community to manage their own infrastructure projects. Technical drawing and understanding of soil mechanics are fundamental to quality infrastructure. If trainees are having difficulty grasping these concepts then these difficulties could potentially transfer to the community. Communications, facilitation, mentoring and coaching techniques are also essential skills required by the SDTF to support community driven development.

- If practical exercises are not incorporated into the course, there is the risk that key infrastructure techniques will not be understood by trainees, especially those who do not already have a qualification in civil engineering or work experience in the field. Revision to the scope of practical projects must consider what is allowed under Cardno's head contract and what key technical skills trainees require in order to adequately support the community.

- The difficulty and delay in recruiting national engineers to the team impacts on the national make-up of the course material. The majority of the training team are from Indonesia. They offer valuable years of civil engineering experience on a similar program but lack the experience to incorporate local examples into the training program. Classroom discussion could be limited to examples from Indonesia rather than from Timor-Leste.

7.5.4 Management action taken

Management action taken	By whom	When
Regular coordination meetings (management; training and assessment) were introduced to discuss issues related to logistics, communication, course content.	Training Manager, Technical Training Specialist, CNEFP, Vocational Education Specialist, Logistics Manager	Every three weeks
Schedule for training was reviewed and two modules removed (ports and markets) to allow for more time for priority modules.	Training Manager and Technical Training Specialist	May 2013
A small number of days was built into the training schedule to allow for module revision.	Training Manager and Technical Training Specialist	July 2013
Trainees who receive less than 60% per module are allowed one more opportunity to re-sit assessment.	PNDS Secretariat	July 2013
Trainees who receive an average grade of less than 60% (including less than 60% in one module) are ineligible to become SDTF.	PNDS Secretariat	July 2013
An additional five days was allocated to community facilitation skills led by the community facilitation training team (now ten days total).	Training Manager and Technical Training Specialist	June 2013

Management action taken	By whom	When
Practical exercises reviewed and re-submitted to Cardno for approval.	Technical Training Team, Vocational Education Specialist, Training Manager	July 2013
Representatives of PNDS secretariat alerted immediately when trainees took action following the posting of the public service announcement. A briefing to trainees quickly followed	Training Manager, Technical Training Specialist, Site Manager	July 2013

7.5.5 Management action recommended

Management action recommended	By whom	When
If ports or markets are priority projects selected by sucos in 2014, incorporate training on these modules into 2014 refresher training.	Training team	2014
Allocate even more days for revision if time allows in next quarter.	Training Manager and Technical Training Specialist	Aug 2013
Arrange an additional briefing by the Civil Service Commission to support trainees with interview and exam preparation.	CSC – facilitated through HRM Adviser	Aug 2013

7.6 Key target output #8: INDMO accreditation attained for technical, community and finance training

7.6.1 Reach and coverage

There are three streams of PNDS training that require accreditation through INDMO – technical, community and finance. If accreditation is attained, these training programs will be on the national training register and available for any accredited training institute to seek approval to teach. The proposed qualifications to be awarded are:

- National Certificate in Community Facilitation across all three streams, with the long term plan of developing this skillset into a full Certificate III qualification
- Certificate II in General Construction for Technical Trainees.

The number of trainees in each stream has been maintained with relatively low attrition rates since course commencement. There were 46 trainees completing the first block of the community facilitation training, currently 96 trainees in the financial stream and 184 in the technical stream. On current trends from assessment activities it appears that all 46 of the community trainees will achieve competency in the course, and approximately 160 of the technical trainees are on track to achieve the requirements of that course. At the time of writing, the financial training stream was in the third week of training; trainees have undertaken some assessments and it appears that most have foundational mathematics skills. Over 75% of trainees have successfully completed the assessments carried out so far. It is therefore forecasted that the following number of trainees will attain an INDMO award once accredited:

Stream	Qualification/Award proposed	Number of trainees forecast to attain award	% female
Finance	National Certificate in Community Facilitation (new award)	90	60
Community (social)	National Certificate in Community Facilitation (new award)	98[7]	35
Technical	National Certificate in Community Facilitation (new award)	160	30
	Certificate II in General Construction (existing award)	160	30

7.6.2 Quality

Training materials, assessment tools, handbooks and guides have been sufficiently developed to allow the application for accreditation to go ahead with INDMO. The delay in the delivery and preparation of some of these materials however, have resulted in the drafting of the Qualification Registration submission being delayed. Additionally, the curriculum design of the technical training has meant that the accreditation approach has shifted from the original idea that three new qualifications would be developed to one combined award. INDMO is supportive of this new approach. PNDS will require the support of a registered training institute to issue this award if approved.

The technical training is delivered in Indonesian with all materials in Indonesian. It is not strongly linked to practical, PNDS focused learning outcomes, however trainees will have a good appreciation of the construction requirements of basic infrastructure. The technical training stream has been difficult to align with any INDMO accreditation, however in collaboration and consultation with CNEFP (an INDMO registered training partner) the training team is working towards awarding the trainees a Certificate II in General Construction. All trainees who successfully complete the practical component and the requisite theoretical component will receive the Certificate II in General Construction, plus the new National Certificate in Community Facilitation (if it is approved by INDMO).

The community facilitation training course is highly participatory with adult learning principles embedded within it. It has been delivered primarily by Timorese trainers with a high level of skills and confidence, including those from STVJ (another INDMO registered training partner). The curriculum design and training approach is strongly grounded in the key skills and knowledge required for the facilitators to do their jobs in the field. Assessment activities were designed to measure the capability of trainees to carry out what they will need to do on the job. Many elements of this course were used to design the National Certificate in Community Facilitation.

The finance training course is modelled on the community facilitation course and goes a step further in aligning each module with the project activity stages of the Program Operations Manual (POM). The content of the finance course is closely aligned with PNDS systems and uses adult learning approaches which will generate positive learning outcomes. Empreza Diak has been contracted to support the curriculum design however their registration as a national training institute is not yet complete. Only an approved INDMO registered training institute can approve trainees receiving an INDMO award; this means that for now Empreza Diak cannot sign off the finance trainees for the national certificate.

The quality of the accreditation process and documentation for PNDS training are upheld by the partnership with two registered and highly regarded national training partners, CNEFP

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[7] 46 in Block I, 52 in Block II

and STVJ. Units being considered for the award have also been peer reviewed by the Disability People's Organisation and advisers from the Ministry for Social Solidarity.

7.6.3 Implications

- The delay in the application process for seeking accreditation will mean that trainees will not be awarded their INDMO approved certificate until well after training is complete (assuming that INDMO approve the accreditation).

- Partly due to the current design of the technical course, the approach to seeking accreditation for the whole PNDS training program has had to be re-framed. A single generic award will now be put forward to INDMO. Although this has required significant re-planning and negotiation, there are no major negative implications. In fact, it is likely to be of greater benefit as other programs (ie. BESIK, Seeds for Life) and NGOs can use the base community facilitation qualification and add their own electives.

- Having one of the three training partners, Empreza Diak not registered with INDMO, means that they would be unable to award the national certificate to finance trainees.

- For the proposed PNDS National Certificate in Community Facilitation to be approved by INDMO, INDMO needs to establish and convene a new sub-committee to review the qualification registration submission. The time to establish this sub-committee could have major implications on the timeframe in which the qualification is approved.

7.6.4 Management action taken

Management action taken	By whom	When
PNDS Certificate of Participation with results to be issued to all trainees at the end of their training.	Training Team	Aug-Nov 2013
Review and consult with INDMO and CNEFP to find an accreditation pathway for the Certificate II General Construction for technical trainees.	VES	Aug-Nov 2013

7.6.5 Management action recommended

Management action recommended	By whom	When
Work with SVTJ and CNEFP to discuss and formulate a plan to award qualifications to finance trainees under their registration.	VES	2013
Develop a training and capacity development strategy for 2014-2015 for PNDS facilitators and field staff.	Training team	Oct -Dec 2013

7.7 Overall assessment

Given the hurdles with timing and staffing, there has been extensive training progress this quarter. All training and assessment materials were developed in time for courses, training is being delivered and is on-track to have trainees completed by the dates agreed with the PNDS Secretariat.

7.8 Looking ahead

The key priorities and major activities and events to be undertaken in the next quarter are:

- Completion of finance training and the second block of community facilitation training.
- Planning and delivery of district management team training.
- Review assessment framework and training materials in light of finance trainees' exam results.
- Final revision of training manuals.
- Commencement and completion of CNEFP modules and practical technical modules based on new approvals from Cardno.
- Nominate qualified trainees to be put forward as district officers.
- Submit qualifications registration to INDMO for the proposed new qualification 'National Certificate in Community Facilitation'.
- Submit two proposed new units 'Facilitate to promote the inclusion of women' and 'Identify and assess access issues for people with a disability' for approval and inclusion on the INDMO register of national units. These two units are part of the core units for the proposed National Certificate in Community Facilitation.
- Map technical training curriculum against existing INDMO qualifications; prepare assessment tools, performance criteria and assessment plans for practicals, and collate evidence in collaboration with CNEFP to support awarding of Certificate II in General Construction to trainees in the technical training.
- Support INDMO where possible to establish and convene an industry committee to consider the application.

8. FIELD TEST

This section describes the support that is provided to the PNDS Secretariat with planning and implementation of the field test.

8.1 Activity reporting

Refer to table in Annex A.

8.2 Key target output #9: Field test completed in 30 sucos

The field test is moving through the steps outlined in the Program Operations Manual (POM). During Q4 the field test team completed steps 1-3 and began step 4.

8.2.1 Reach and coverage

Nearly 5,000 people (39% women) have attended field test socialisation meetings in aldeais and sucos; this reach and coverage is below what was expected and female attendance is below the 50% target. On average there were more than 150 people participating in socialisation meetings at suco and aldeia levels. It was anticipated that each suco would achieve socialisation meeting attendance of approximately 50 people, and each aldeia approximately 30 people, however many communities did not reach this number of participants.

There are a number of reasons why participation was low: lack of information from the suco and aldeia chiefs, bad weather, poorly timed events clashing with seasonal community activities, and a lack of interest amongst the community members, especially those living in urban areas such as Dili. In Dili, participation was problematic due to higher levels of fixed commitments within communities such as paid employment. As a result, sometimes the teams had to go back and forth just to complete one socialisation event in an aldeia. Despite these repeated efforts, there remained three aldeias in Suco Comoro (Dili) that did not complete socialisation activities due to a lack of interest by the communities.

Formation of the 30 suco community management teams was successfully achieved by the due date of 30 June 2013. The nomination and election of suco teams generally adhered to the POM processes although there were some misunderstandings. In terms of team membership, 154 are women (47%). Although this figure is below the targeted percentage of 50%, the starting point is sound and can be built upon with further facilitation. This outcome is a result of the affirmative policy of the program which mandates that sucos elect at least one woman for each of the community teams (ie. KPA, EIP, EOM, suco facilitator).

8.2.2   Quality

The materials for socialisation were sufficient in terms of the topics they covered, however there was an insufficient number of materials available. The materials were only prepared to cover the district, sub-district and suco levels, and not aldeias. The variety of the socialisation materials was also limited. There were only four types of posters and a PowerPoint slide handout. Other products that could have been more suitable for communities in aldeias such as flyers, stickers or leaflets were not available. As for content, the materials produced covered most of the key concepts of PNDS; only one or two topics had been missed and this has been rectified through the production of one-pagers on the requested topic (ie. indicative menu, pilotu siklu).

Formation of the suco community management teams (CMTs) was a key milestone and achieved due to the support and cooperation given by suco and aldeia communities. This activity started on 10 June and was completed by 28 June 2013 according to plan.

The nomination and election of CMTs generally adhered to the POM processes. In some instances, there was a misunderstanding about procedure that originated in the training phase. Procedural information has been revised to correct misunderstandings. There were also cases where the POM was not very clear about a certain element of the process, which meant inconsistencies in implementation from one suco to another (eg. the structure of KPA elections). The POM was not rigorous about the procedure if there were many nominees of the KPA (ie. more than 12 people) and does not specifically mention if the election needs to be done as a one- or two-stage process. Some teams employed a one-stage approach (meaning that all nominees went onto the list regardless of how many and the forum elected one man and one woman) and others carried out a two-stage election approach (meaning the long list would first be shortened through discussion, consensus, or even election, and then proceed to the next round of election which was to elect the final KPA structure). Despite these variances, all 30 of the CMTs were formed in time.

Overall, by the end of a socialisation event, communities demonstrated an understanding of key program concepts namely goals, objectives and principles; project cycle; CMT structure; key program mechanisms; and grant procedures.

Nevertheless, much detailed information was still left uncovered from a socialisation event and will need to be further explained at a later stage of the project cycle (for instance, during CMT training phase). Questions predominantly asked by the communities focused on the indicative menu (projects that can be supported by PNDS funds), grant amounts for

operations and infrastructure, eligible expenses for the operational funds, nomination and selection procedures for CMTs, detailed roles and responsibilities of the CMTs, community contributions, and incentives for the CMT structure.

8.2.3   Implications

Learnings from the first steps of the field test are being captured by field test implementation staff and shared in district co-ordination and other stakeholder meetings and learning forums and informing revisions to the POM.

8.2.4   Management action taken

Management action taken	By whom	When
Clarification about the amount of grant for each suco and the basis for such allocations.	Director General PNDS Secretariat	June 2013
Production of more socialisation materials and diversifying their forms to reach more people.	Field test advisers; PNDS communications team	June – July 2013

8.2.5   Management action recommended

Management action recommended	By whom	When
Provide clearer and more transparent information about the funding aspects of PNDS.	Field test advisers; Secretariat finance team	Aug 2013
Build solid communication plans and produce varied communication materials to be used throughout the project cycle.	Field test advisers; Secretariat communications team	Aug 2013
Revisit POM and fill in the gaps therein and/or improve the sections that are not relevant in the field; and ensure that changes to the manual are communicated to field teams for transferal to communities.	Senior Program Coordinator; National Secretariat	Sept – Oct 2013

8.3   Overall assessment

The PNDS field test has to date generally run well and has managed to accomplish the targeted milestones. The key to this performance is continuous observation and learning in the field, ongoing discussions and dialogues between secretariat and field teams, and being flexible, realistic and creative in the face of constraints and challenges.

The learnings and observations from the field test communities need to feed into the POM revision and training plans for 2014. Lessons learned need to be captured and addressed systematically. As PNDS gears towards implementation in October 2013, there will be less resources available for support to the PNDS field test facilitators. Co-ordination with government line ministries will be increasingly important. Potential exists for obstacles to emerge with other ministries particularly where PNDS intersects with and potentially interferes with line ministry programs.

The successful implementation of PNDS will rely on the quality of engagement between PNDS facilitators and communities. It will be important to ensure that support services to PNDS staff (salaries, assets, transport, etc) are running smoothly so that logistical and administrative challenges do not become an obstacle to keeping facilitators motivated. This

is a significant challenge in light of the organisational capacity development required in the secretariat.

Despite some of the above challenges, in general communities welcomed PNDS and had positive feelings about the program. In fact, many of the aldeias chiefs said that the program offered something different than the other programs that government had run so far, in that PNDS was more participatory and empowering, and that it has given a new hope about development in their sucos.

8.4   Looking ahead

The key priorities and major activities and events to be undertaken in the next quarter are:

- Continued implementation and completion of CMT trainings in all districts (Module D) and in all sub-districts (Module E) (Step 4).
- Continued implementation and completion of priority setting in the remaining five sucos and 50 aldeias (Step 5).
- Continued implementation and completion of proposal writing and verification in sucos (Step 6).
- Implementation and completion of proposal survey and design; finalisation of proposal and development of detailed planning documents for 30 sucos (Step 7).
- District verification of proposals for the 30 sucos' and project implementation signing (Step 8).
- Transfer of infrastructure funds to 30 sucos (Step 9.1).
- Commencement of PNDS project construction in 30 sucos (Step 9.2).

9.   MONITORING AND EVALUATION

This section describes the M&E support systems and activities that are provided to the PNDS Secretariat and within Cardno for the PNDS Support Program.

9.1   Activity reporting

Refer to table in Annex A.

9.2   Key target output #10: MIS designed and developed ready for roll-out

9.2.1 Reach and coverage

Not applicable at this point.

9.2.2 Quality

MIS high-level design activities commenced in early July with stakeholder briefings including PNDS Secretariat management and officers, AusAID managers, Cardno advisers and The Asia Foundation. The briefings were conducted to clarify the requirements of the main users of the MIS and to broadly scope M&E requirements at the district level. Some changes to existing business processes within the Secretariat and forms will be required to enable the collection of meaningful data for M&E purposes and complaints handling.

It was evident from these discussions that quality of the MIS design and the end MIS product may be affected by the following:

Timing

The compressed and ambitious timeframe for MIS development and implementation will affect the overall suitability of the system. Ideally this activity would have begun in early 2013 to allow time for full consultation and design. The approach to be used for system development will consist of a high level design being drafted, distributed for comment, and approved by PNDS secretariat management. The design will focus on the scope of the system - what it will and won't cater for - rather than detailed system specifications. This will be followed by incremental development and "hands on" prototype testing using field test data. This type of development is rapid and cost effective and allows for maximum user feedback and is well suited for this type of activity; however it does not always produce the highest quality system due to its inherently rapid, responsive nature.

Market

The market for ITC services and software development is very constrained in Timor-Leste. It is likely that few suppliers will lodge tender bids meaning limited choice in selection of a vendor to assist with software development. Limited suppliers can reduce the ability to negotiate and seek the best price for services.

Scope

System scoping will be difficult as the program needs are highly fluid. The development approach being adopted will allow for rapid changes however these will need to be prioritised to ensure key objectives are met. The design document will indicate exactly what functions and facilities are in and out of scope.

Counterparts

The lack of IT staff and mangers at the PNDS Secretariat is a major concern for the MIS project and day-to-day ITC operations. While there has been some effort to rectify this, it remains to be addressed. Cardno does not have the capacity to provide desktop support to the PNDS secretariat. The introduction of the MIS/File/Print server (forecast for September 2013) will further complicate matters as it will require every desktop unit to be configured and then connected to the server. Realistically, this activity cannot be commenced until PNDS Secretariat IT staff are recruited and available to be trained.

9.2.3. Implications

- System quality and schedule delays may emerge if not managed correctly. Scoping the system to focus on core business rather than extravagant and lower priority features will assist to alleviate timing issues.
- Small number of potential vendors should not be a major issue providing vendors are skilled software developers. All indicators are that at least one vendor has significant experience and expertise; others may be discovered during the tender process.
- Large payments to vendors are anticipated and can be scheduled so adequate funds are available in-country. This will need to be actively managed.
- Controlling system scope is going to be of paramount importance. The implications of "feature creep" (un-scoped inclusions due to political or other pressure) are significant and can have enormous effect on timeframe and costs. The strategy for avoiding this is to scope the system in sufficient detail during design and have this

formally agreed. Any changes to this scope will only be done through a formal change management process and will include estimates of budget and schedule implications; these will need to be approved by the PNDS management committee and AusAID.

- The Secretariat ITC systems and MIS cannot be managed without appropriately trained staff. Cardno can provide training and capacity development to secretariat staff to enable them to manage system however the counterpart staff need to be recruited and managed to allow this to happen.

9.2.4 Management action taken

Management action taken	By whom	When
Development of budget proposal and preliminary documentation for procurement of a MIS developer and system infrastructure.	ITC Manager	July 2013
Secretariat advisers have been assisting Cardno managers to address the lack of IT staff at PNDS secretariat.	Corporate Service Adviser; HRM Adviser	July 2013

9.2.5 Management action recommended

Management action taken	By whom	When
Develop and approve a Request for Tender (RFT) for MIS design and development, and Request for Quote (RFQ) for associated system hardware and software.	ITC Manager, Operations Manager, AusAID	Aug 2013
Proceed with tender assessment, award and supplier contracting.	ITC Manager, Operations Manager, AusAID	Sept 2013
Liaise with Secretariat management about inclusion of an ITC Manager in Secretariat structure.	ITC Manager, HRM Adviser	Aug 2013

9.3 Overall assessment

The overarching program M&E framework is scheduled for further development during the next quarter. In the absence of such a framework and associated performance indicators, the Cardno Annual Plan is the basis for managing activity scope and reporting. Moving into the next quarter, the Annual Plan will be reviewed and recast as a six-month plan cognisant of the AusAID Implementation Schedule, so that all planning documents align and represent the various roles of each PNDS partner.

The process for MIS development began this quarter, however is faced with a number of challenges to meet the 30 November 2013 start-up deadline. The design schedule is extremely tight and there is a high risk that any delays will defer MIS roll-out beyond the November target. This will lead to challenges with information sharing in the critical early months of PNDS. Output quality is likely to be affected by acute timing for the project – the compressed and ambitious timeframe for MIS development and implementation will affect the overall suitability of the MIS for its role.

The lack of IT staff at the PNDS secretariat is a major concern as is the number and seniority of ITC staff in the PNDS structure. Office ITC and MIS cannot be managed without

appropriately trained staff; recognising the scale and complexity of Secretariat and MIS operations, an ITC manager position is also needed.

9.4 Looking ahead

The key priorities and major activities and events to be undertaken in the next quarter are:

- Preparation and release of a Request for Tender (RFT) for MIS design and development, and Request for Quote (RFQ) for associated system hardware and software, followed by procurement assessment, award and supplier contracting.
- Development and setting up of the Complaints Handling System (CHS). The POM outlines a CHS based on the initial analysis completed during 2012. The next steps in this process includes drafting a training manual that outlines each process involved in the CHS and then linking it to the MIS for monitoring and reporting.
- Assessment of the ITC operating environment in district offices prior to MIS pilot and rollout. This assessment aims to better understand the general ITC connectivity in districts and will inform decisions about the scope of work required at each district office to support the MIS.
- Development of a detailed PNDS M&E Plan which includes an agreed set of performance questions; design and implementation of a baseline; outline of regular evaluation and special studies and how to use the results of those studies; and resourcing and capacity needs to execute the plan.

10. OPERATIONAL AND ADMINISTRATIVE SUPPORT TO PNDS SECRETARIAT

This section describes the operational and administrative support provided to the PNDS Secretariat in day-today administration, logistics, and office and ITC infrastructure development.

10.1 Activity reporting

Refer to table in Annex A.

10.2 Key target outputs

N/A

10.3 Overall assessment

The Secretariat is facing significant pressure to achieve PNDS implementation milestones, whilst at the same time developing its own internal systems and procedures; this has made it very challenging to roll-out support systems. The arrival of the Corporate Services Adviser has provided additional support to administration, HR, logistics, procurement and IT functions. The pressure on Secretariat staff to meet implementation deadlines has made it challenging to roll-out support systems, however the basics are in place and in use by Secretariat staff. This pressure is likely to intensify in the next quarter as activities gear up towards implementation of PNDS nation-wide.

The often unpredictable status of the Secretariat budget means that further gaps are emerging as the October 2013 deadline for program roll-out looms. There are currently insufficient assets and materials to support the new facilitators to be mobilised across the country. The need for investment in systems is highlighted by the example of the field test

consultant staff who were not paid for June and July due to a paperwork error. This issue is unlikely to be resolved until August and is indicative of challenges to come.

During the quarter there has been further definition around AusAID funding for field test activities at the Secretariat and this has helped to both manage expectations and respond to requests more efficiently. Although it limits some flexibility it has gained efficiencies in use of staff time and budget, and improved planning and decision making. This approach is recommended for adoption more broadly. The strategy to phase-out funding for administrative support to the Secretariat (petty cash, stationery, consumables, etc) was completed.

10.4   Looking ahead

The key priorities and major activities and events to be undertaken in the next quarter are:

- Finalise fit-out of the new PNDS Secretariat office with furniture and ITC assets
- Complete hand-over of assets based at the Secretariat
- Phase out the provision of Cardno LES administrative officers in the Secretariat.
- Further development and initial implementation of corporate service systems and procedures (administration, budget, procurement, IT) for the PNDS Secretariat office.
- Ongoing activities and support as requested.

PART B. GOAL 2: DEVELOPMENT AND IMPLEMENTATION OF MANAGEMENT SYSTEMS AND ACTIVITIES

11. FINANCIAL AND PROCUREMENT MANAGEMENT

This section describes the financial and procurement management systems and services established and implemented by Cardno to support the range of activities under Goal 1 (refer Part A).

11.1 Activity reporting

Refer to table in Annex A.

11.2 Key target outputs

N/A

11.3 Overall assessment

Cardno-managed procurement and financial management systems are advancing well with further progress this quarter. Highlights include:

- Trainee payments are running smoothly across the three streams of training.
- End of financial year (EOFY) expenditure for 2012/13 was at less than 1% variance to budget.
- New coding system has been established for budget tracking across line items.
- Standardised purchase order arrangements established.
- Capture of line-by-line purchasing data for use in future price comparisons.
- Redesign of key financial accountability forms including procurement, purchase order and payment request forms.

During the quarter, a significant amount of time was spent liaising with vendors to prepare invoices and process contract payments, and thereby ensure adequate budget drawdown by end of FY12/13. Many vendors are unable to generate adequate or valid invoices and in some cases the invoice had to be drafted by Cardno and then endorsed by the vendor.

Significant contracting achievements this quarter were as follows:

- Signing of the CNEFP and EDS contracts for the technical training on 9 May 2013.
- Engagement of Empreza Diak as the financial training partner (following a public tender process on 17 May and formal contract execution on 29 May 2013).
- Engagement of Sentru Treinamentu Vokasional Juventude, Comoro (STVJ) as the social training partner (following a public tender process on 17 May and formal contract execution on 12 June 2013).
- Contracting Unio as the training venue for social and finance training with formal contract execution on 11 June 2013.

Challenges encountered with vendors included:

Unio Training Centre: Unio was selected as the venue and catering provider for the financial and social facilitation training courses. The Cardno training, logistics and procurement teams have had to work closely with this vendor to try and improve capacity and responsiveness to program needs (such as basic fit-out and cooling of training rooms, power supply, hygienic food preparation). Some improvements have been made.

PNDS Secretariat office fit-out: Furniture ordered in May 2013 for fit-out of the PNDS Secretariat suffered significant delays beyond anticipated delivery dates. Vendors provided assurances at the time orders were placed that the items would be available in-country by early-mid June, however the furniture still remained to be delivered as at 31 July 2013 due to loading and shipping delays. By the end of the quarter the best indication is for delivery during the first half of August. Secretariat staff were provided with temporary desks and chairs as an interim measure.

11.4   Looking ahead

The key priorities and major activities and events to be undertaken in the next quarter are:

- Planning and completion of internal and external financial audits.
- Fraud awareness training for Cardno staff.
- Update of the finance manual.
- Streamlining processes and procedures in the finance department.
- Continued timely procurement to support the technical, social and financial training courses.
- Finalise all contract payments to training partners, and the venue and catering vendor for the social and financial training.
- Finalise asset handover to the Secretariat.
- Account for all stock and assets remaining at the conclusion of the financial and social training; log and remove for safe keeping.
- Satisfy procurement requests from the PNDS Secretariat as required.

12.   PERSONNEL MANAGEMENT

This section describes the personnel management support services and systems that Cardno has put in place for the effective management of program personnel. Human resource management activity provided to the PNDS Secretariat (eg. recruitment, selection, contracting, mobilisation and induction of civil servants and trainees) is covered in Section 5.

12.1   Activity reporting

Refer to table in Annex A.

12.2   Key target output #11: Personnel recruited, contracted and mobilised as per personnel plan

12.2.1 Reach and coverage

During the quarter:

- 56 contracted personnel were in place - 23 LTA, 9 STA and 24 LES.
- 19 positions - 4 LTA, 4 STA and 11 LES – were mobilised (Table 7).
- 100% of positions advertised were recruited and contracted within the target period of 9.5 weeks. Performance results are at Annex B.

The reach and coverage of this output was adequate in terms of service standards with most of the necessary advisers and staff recruited and mobilised in a short timeframe.

During the quarter, the new Senior Program Coordinator was recruited prior to the departure of the outgoing incumbent. The M&E Adviser was recruited later than originally scheduled. The decision on the way ahead was pending the arrival of the Program Director who promptly directed to mobilise the approved candidate, who was selected from the recruitment process conducted in Q3, on a short term contract.

Table 7. Positions mobilised in quarter 4

Type	Title
LTA	Program Director
LTA	Social Development Adviser
LTA	Financial Management Adviser
LTA	Corporate Services Adviser*
STA	Financial Training Specialist
STA	M&E Adviser
STA	Senior Program Coordinator
STA	Senior Program Adviser
LES	Driver
LES	Driver
LES	Finance Assistant
LES	Financial Management Trainer 1
LES	Financial Management Trainer 2
LES	ITC Officer 1
LES	National Engineer 2
LES	National Engineer 6
LES	Secretariat Officer
LES	Training Site Manager – Financial
LES	Training Site Manager – Social

*position originally STA Operations Adviser

The main areas that were not covered adequately in terms of service standards were:

- *Financial Training Officers.* One Financial Training Officer (LES) started in May 2013 at the same time as the Financial Training Specialist. The top candidate for the other LES position rejected the offer due to inadequate salary. After that, it was extremely difficult to fill that position as none of the applicants with finance experience were interested in a short term role at the offered pay rate. Another seven possible candidates were followed up and two agreed to be interviewed in May. Of these, one candidate was assessed as suitable and was contracted just in time for the training to start on 7 June 2013. This delay meant that there was pressure on the first trainer during the preparation phase and by the time the second trainer came on board he had to do a lot of catch up and familiarisation with the training program.

- *National Engineer Trainers.* During Q4 two engineers were recruited and commenced their activities in support of the technical training, leaving one position unfilled out of the total six positions. In July, one of the engineer trainers who commenced in April submitted his resignation, leaving two positions vacant with four months of the training remaining. Two more of the engineer trainers are expected to become vacant for the remainder of the training: one due to securing another position

and another due to maternity leave. With only two engineer trainers remaining, the recruitment of the field test team engineer positions and the engineer trainer position, under the new Workforce Management Strategy, will be expedited in order to fill those positions and also provide support to the current technical training program.

The reach and coverage was inadequate in some areas in terms of meeting the required timeframes of the Secretariat:

- *Field test team*. The ToRs for the field test team were only developed, approved and advertised in late March, following late notification from the Secretariat. The vacancies closed on 3 April and by the first week of May the Social Development and Financial Management Advisers were mobilised. The Engineer Advisers were in place as of late April. Despite the rapid recruitment and mobilisation of the field test advisers, the delay to the start of the process meant that they only arrived in time to observe the field test training, instead of conducting the training.

- *HR Adviser.* Recruitment activity for this position began in early 2013 but was unsuccessful and it remained vacant until quarter 4. A decision was made that the Operations Adviser would support the HR and Training Unit of the PNDS Secretariat with high priority tasks particularly recruitment of national and district officers and sub-district facilitators. However, competing priorities meant that the Operations Adviser could not dedicate enough time to support these essential HR functions; a decision was made in late June to source a suitable person for the HR Adviser role.

  Given the urgent need for support to be provided to the Secretariat, the adviser position was not advertised again; instead suitable experienced candidates were sought from previous applicant pools, existing staff and through networks. By the end of Q4 a HR Adviser was contracted to start in early August which was good in terms of service standard, but delayed in terms of the Secretariat's need. The delay in filling this position put some pressure on the PNDS Secretariat to get recruitments underway for sub-district facilitators and district level staff, so that personnel will be in place to allow the disbursement of grants before the end of 2013. During the intervening period, assistance was provided by the Training Manager and HRM Manager.

12.2.2 Quality

The quality of recruitment, contracting and mobilisation is adequate but there is room for improvement particularly in terms of giving realistic notification periods to recruit international advisers so that they can be mobilised in time to meet program needs.

In terms of quality of LES staff, this is limited by the level of salary that can be offered as well as the short contract periods. The result has been that some of the best quality candidates have rejected some of the positions, particularly training positions, leaving them unfilled or filled at a late stage with lower quality candidates.

Quality of existing staff and advisers is assessed informally through day-to-day management and supervision by managers and counterparts, and formally through the performance management system. To date, the quality of advisory services as a whole has met the immediate needs of the program in supporting design, policy, training and field test activities.

As the focus is now moving towards strengthening of PNDS systems and program implementation, workforce requirements are being reviewed in order to better suit the needs of the PNDS Secretariat and to ensure compliance with the AusAID Implementation Schedule.

The quality of the operational systems to support personnel management are progressively being developed, implemented and reviewed as part of ongoing system improvements.

12.2.3 Implications

Late notifications for recruitment has meant that advisers aren't recruited and mobilised in time for the specified activities. The implication of being able to offer limited LES salaries and short contract periods is that the best candidates can't always be contracted. Selection of lower quality candidates may have impacted on the quality of training outcomes.

Arising from the late engagement of the HR Adviser, recruitment of district staff and sub-district facilitators has been delayed and now needs to be done in a very tight timeframe. Success depends on whether the recruitments can be done in time for the teams to deploy to the sub-districts and facilitate disbursement of GoTL funds before the end of 2013. A serious implication is that the 2013 GoTL budget will not be expended and the roll-out of PNDS will be delayed.

12.2.4 Management action taken

Management action taken	By whom	When
Development of Workforce Management Strategy.	Operations Manager	July 2013
HR Adviser was recruited from existing database. In the period before this adviser was mobilised, the HRM Manager and Training Manager supported the recruitment process of PNDS sub-district facilitators and district officers.	Operations Manager	July 2013
Requested completion of AusAID LES salary scale across all programs and employment categories to attract and retain LES personnel who are high quality or have rare skill sets.	Operations Manager	Ongoing

12.2.5 Management action recommended

Management action recommended	By whom	When
Continue to liaise with AusAID about LES salary policy, particularly in light of upcoming changes under the new workforce management strategy.	Operations Manager	Regularly
Communicate staffing priorities and needs so recruitments can be done in a timely and considered way that maximises opportunity for quality candidates.	Program Director, SPC	Regularly
Communicate changes associated with the new Workforce Management Strategy.	Operations Manager	Monthly

12.3   Overall assessment

Overall, the progress in this area is adequate as most of the necessary advisers and staff were recruited and mobilised in time to support the main PNDS activities. The operational systems to support personnel management are progressively being developed, implemented and reviewed as part of ongoing system improvements. As the team is being built there are new issues arising that need to be addressed: these include managing and supporting a larger team that is spread throughout different locations and involved in more field work; development of management policies and procedures that suit a mobile, dispersed

workforce; and maintaining good communication with advisers and staff during the period of change as PNDS transitions into the program implementation phase.

12.4 Looking ahead

The key priorities and major activities and events to be undertaken in the next quarter are:

- Revision of ToRs, contract amendments and new recruitments (as necessary) consistent with the new workforce management strategy.
- Continue development of operational policies.
- Implement staff development plan (English classes initially).

13. ITC

This section describes the ITC and information management support services and systems that Cardno has put in place for the effective management of the support program.

13.1 Activity reporting

Refer to table in Annex A.

13.2 Key target outputs

N/A

13.3 Overall assessment

The IT systems have been established in the Balide office and are functioning well. The trainee database has been completed for all three training streams, and whilst requiring some weekly work, is functioning well and generating accurate payment data. The files and print environment is working well and the Office 365 software and email services are also providing services as expected. The workload to maintain the Balide office system is decreasing and much more of this work is being handled by the IT officer as his skills and knowledge improve.

Hand-in-hand with MIS development will be a number of improvements to the information management systems at the PNDS secretariat; these include the establishment of a robust windows domain, file and print sharing services, and installation of a functional backup regime. These improvements will require time and effort to implement effectively. As the PNDS Secretariat is yet to fill the ITC officer positions in their structure this may necessitate that the Cardno ITC team provide support until these positions are recruited.

There are overlaps here with MIS work: for example the same physical server will run both the MIS and file server but these two activities will be in direct competition for Cardno resources for some time and may have adverse effects on each other. This will require careful management and prioritisation of activities to meet business objectives.

Over the quarter, PNDS Secretariat have purchased or are in the process of purchasing a large amount of IT equipment (desktop, laptops, mobile phones, printers). At short notice, Cardno provided advice about technical specifications for all this equipment. However, it seems that the MoSA procurement section either never received the specifications or

ignored it. The end result is that all purchased computers are running pirated software that cannot receive critical security updates. Surge protected power boards for laptops and uninterruptable power supplies (UPS) for computers were not supplied yet these were specified and are critical pieces of infrastructure that help ensure units have a decent life span.

Additionally there is very little in the way of planning that has been conducted to ensure these machines can be supported in the field. It is likely that many of these items will require extensive re-work in order to be remote supportable in any fashion. Rather than doing this while the machines were centralised in Dili, it will now have to be done after they are deployed to district offices. This will certainly be a very time consuming and expensive refit project. Unfortunately, Cardno ITC Unit is not set up or resourced to be able to undertake this project at present and as noted above PNDS secretariat does not have any dedicated IT resources.

13.4   Looking ahead

The key priorities and major activities and events to be undertaken in the next quarter are:

- Design and development of the PNDS MIS will make up the bulk of the work for the remainder of this year (refer Section 9.2).

- Provision of support to PNDS Secretariat for ITC and information systems.

PART C.   PROGRAM-WIDE ISSUES

14.   CROSS CUTTING ISSUES

14.1   Gender inclusion[8]

Gender inclusion initiatives in the reporting period included:

- A new training unit – '*Facilitate to promote the inclusion of women*' - was developed for registration with INDMO and incorporation as a core unit in the proposed new qualification. The proposed new unit is planned as the first gender unit on the national register which can be incorporated into other training programs and packages.

- A number of sessions were organised in the community facilitation training to sensitise trainees on gender issues and help them learn the skills to optimise participation of women in community meetings and decision-making. A special 'fishbowl' activity was conducted in which female trainees talked openly about their struggles as women in Timor- Leste and the male trainees listened. This activity helped to sensitise male trainees about the problems women face and hopefully engender their commitment to increasing women's participation.

- Within the community training a special effort was made to ensure that women were not marginalised, but played a lead role in the practice training sessions where each woman worked with a male partner. This was important as female trainees made up only 33% of the group.

- The proportion of female trainees for the finance training is 67%, 27% more than the recommended quota.

- During weeks 3 and 4 of the finance training a number of sessions on gender inclusion were provided using materials from the community facilitation training. Three days of activities were undertaken and included classroom discussion, scenarios, games and role plays.

- Two 'women's meeting' were held for the technical trainees with a mix of approximately 50 married and single women attending. The purpose of the meetings was to provide a forum for female trainees to raise and discuss any issues they were having and to introduce them to a focal point that they could go to if they encountered any personal problems. Some of the issues raised were: that the course has a very heavy workload making it difficult to manage both household and classroom responsibilities, visiting their children on the weekends was difficult as most lived too far away, and being pregnant whilst studying was exhausting.

- A half-day gender session was provided to the field test training participants.

14.2   Disability inclusion

Disability inclusion initiatives in the reporting period included:

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[8] Gender inclusion will be included as a strategy area in the Cardno Six Month Work Plan and a 'key target output' for adequacy reporting in future quarterly reports.

- A new training unit – '*Assess access issues for people with a disability*' – was developed for registration with INDMO and incorporation as a core unit in the proposed new qualification. The Disability Working Group (DWG) provided input to this unit. The proposed new unit directly relates to the infrastructure aspect of PNDS. This will be the first disability unit on the national register which means it can be incorporated into other training programs and packages.

- The finance and community facilitation training included a major session on understanding disability, including simulation exercises to help trainees understand how it feels to be blind or disabled and a practical session to identify places at the training centre which are not accessible to people with a disability.

- A representative from the Disabled People's Organisation (DPO) addressed the trainees and explained her own experience as a person with a disability. She talked openly and frankly about being disabled and what she has done with her life.

- Community and finance trainees then discussed the importance of designing PNDS infrastructure which is accessible to people with a disability. When a session was conducted on technical issues for both of these streams it was encouraging to see finance and community trainees ask about how 'access needs' were incorporated into PNDS infrastructure standards.

- Disability inclusion materials for water and sanitation (produced by BESIK) were discussed and provided to technical trainees during the relevant modules.

- Four national engineering instructors attended a half-day workshop on disability inclusion to improve awareness of techniques to mainstream disability into the technical training.

14.3   Looking ahead

The key priorities and major activities and events to be undertaken in the next quarter are:

- Similar gender and disability inclusion activities to be incorporated into the second block of community facilitation training.

- Finance trainees to be assessed on gender and social inclusion in their practice community training sessions.

- Remain in close contact with the 'Female Trainee Focal Point' for technical trainees and address key issues if they arise.

- Encourage equal participation of female technical trainees in practical construction exercises that will commence in October.

- Ensure technical training practicals incorporate and highlight issues of access for people living with a disability.

15.   RISK MANAGEMENT

Cardno has developed and maintains a risk management plan that details those risks that could be reasonably anticipated over a six-month period of the program (August 2013 – January 2014). This plan exists as a separate contract deliverable.

Major risks identified during the quarter and steps taken and/or recommended to mitigate risks follow.

15.1 Program pace and quality

The PNDS has very strong political support and there is an expectation for the program to soon begin implementation. The PNDS Secretariat are working on the basis of being fully prepared for program implementation and disbursement of suco grants by 1 October 2013. PNDS is a fast paced, highly fluid program with tight deadlines and pressure to act quickly. This pace may exceed the capacity and readiness of PNDS Secretariat, AusAID and Cardno to respond.

Risk implications

- Given that fast-tracked implementation will proceed, the planning, training and support systems, and community socialisations, may not have been developed to a state ready for effective implementation.

- Program urgency compromises the quality of PNDS activities and value for money may not be realised. Negative impacts on quality would be likely plus communities would not have been adequately notified and prepared for grant implementation.

- Fast pace introduces associated risks of miscommunication between program partners and increased chances for mistakes to occur.

- Timeframes may slip, forcing GoTL and AusAID to break their respective commitments to constituencies and partners. This may mean that reputations are negatively effected through inability to meet commitments.

Management action taken	By whom	When
Regular formal and informal communication mechanisms have been established and maintained between the Secretariat, AusAID and Cardno. These mechanisms have generally adopted the 'one team' approach of open, honest communication with clear lines of communication and accountability.	Cardno, AusAID, Secretariat	ongoing
Acceptance that rapid roll-out brings with it quality issues and increases likelihood of mistakes.	Cardno, AusAID, Secretariat	ongoing

Management action recommended	By whom	When
To the maximum extent feasible, fast track all planning and preparations to meet the government decision for an October implementation date.	Cardno, AusAID, Secretariat	October 2013
Ensure GoTL (including senior decision makers such as the Minister of Finance) are kept fully informed of progress, readiness status and attendant risks.	AusAID, Secretariat	ongoing

15.2 Engineering training design and accreditation

A large number of engineering training modules (30) have been developed for delivery; this has created a very dense timetable and little time for review and reflection by trainers and trainees. Additionally, possibility exists that technical training does not meet INDMO accreditation standards because it does not have enough competency based assessments.

Risk implications

- Technical trainee learning outcomes are sub-optimal due to the design and pace of the training course.
- Technical training course is not accredited by INDMO.

Management action taken	By whom	When
Continued to search for curriculum design changes that will improve learning. Low priority modules were identified and reduced in scope. This freed up time for training in the PNDS project cycle and facilitation skills.	Cardno	July 2013
Planning meetings were held with CNEFP to review and restructure course practicals to meet the requirements for Certificate II in General Construction. Discussions are continuing with CNEFP to determine what elements of training can be accredited this year.	Cardno	July 2013
CNEFP has been supplied with details in order to register technical trainees with INDMO.	Cardno	July 2013

Management action recommended	By whom	When
The Vocational Education Specialist and CNEFP to work together to map out units of competency that can be extracted from the existing technical training program and map them to INDMO accredited units. Once identified, the Vocational Education Specialist and CNEFP will need to work with the technical training team to make necessary changes.	Cardno, CNEFP	Oct 2013
Determine whether competency assessments can be carried out in 2014 during the implementation phase.	Cardno, CNEFP	Oct 2013

15.3 Finance training learning outcomes

The full training team of advisers and partners commenced at the beginning of the quarter (May 2013) with the course starting on 8 July. The team was also diverted onto development and delivery of field test training. Overall, the time available to develop the training program and undertake training-of-trainers (ToT) was very compressed.

Risk implications

- Learning outcomes from the finance training course are impacted.

Management action taken	By whom	When
Develop and deliver training modules concurrently, and accept that this approach will bring with it some inevitable quality	Cardno	Aug 2013

impacts		
Vocational Education Specialist identified relevant training material from the social training that can also be used and adapted for the finance training.	Cardno	July 2013

Management action recommended	By whom	When
Finalise development of the finance training curriculum.	Cardno	Aug 2013

ANNEX A. ACTIVITY LEVEL REPORTING

The table below reports on the adequacy of progress with implementation against the Cardno annual plan; it also looks ahead and forecasts likelihood of action/activity completion and whether additional resources or other adjustments are required.

From Annual Plan 2013			Report for current quarter		Forecast		
Key action/ activity	Responsibility	Due date	Status category	Progress made; outputs produced	Likelihood of completion by due date	Planned inputs appropriate (Y/N)	Comments
4. Program design, inter-agency planning and coordination							
Support the effective functioning of the inter-Ministerial Council and the Technical Working Group	Snr Program Coordinator	Ongoing	Underway	• Revised structure of TWG proposed by Secretariat for program implementation stage. This will be discussed and approved by TWG. • TWG members have been actively participating in the recruitment of PNDS staff.	High	Y	Transition to the new TWG by beginning of Q1
Develop engineering guidelines	Engineering Training Coordinator	31 May 13	Underway	• The technical training modules have been complete and are used to implement field test projects. It will be published for 2014 implementation.	Low	N	It needs an Engineering STA to compile and standardise the engineering guidelines that can be approved through a Ministerial Diploma.
Develop social development guidelines	Social Training Specialist	30 June 13	Underway	• The training curriculum for social training was finalised in May 2013 • The SDF field manual is designed to provide detailed understanding of the social development guidelines.	Low	Y	The Ministerial Diploma will include social development goals and PNDS approaches to achieve them.

Assisting the Secretariat in developing recruitment policy and planning	HRM Advisor	30 June 13	Underway	• Agreement with CSC on PNDS recruitment policy and procedure	Low	Y	The HRM advisor who is responsible for this area starts working as part of the TA team in the Secretariat from Aug 13.
5. Human Resources Management							
Assist the Secretariat with the recruitment of community mobilisation trainees	Senior Program Co-ordinator	5 June 13	Action complete	• Two batches of trainees recruited, totaling 100 trainees. 6,612 applications were received for both the social and finance trainee positions	Complete	Y	
Assist the Secretariat with the recruitment of financial management trainees	Senior Program Co-ordinator	5 June 13	Action complete	• 100 trainees recruited. 6,612 applications were received for both the social and finance trainee positions	Complete	Y	
Contract and mobilise all community trainees to Dili	Logistics and Office Manager	17 June 13	Action complete	• Batch 1: 48 Trainees were contracted on 21 June 13	Complete	Y	2nd batch on target for contracting 9 August 2013
Contract and mobilise all finance trainees to Dili	Logistics and Office Manager	1 July 13	Action complete	• 96 trainees were contracted on the 5 July 2013 (4 from the list dropped out)	Complete	Y	
488 National, District & SDF staff for PNDS recruited	HRM Adviser	31 Jan 14	Underway	• 9 new national-level staff recruited during the period. • Process for becoming civil servants agreed with CSC.	Moderate	Y	

6. Public Financial Management							
Design strategic financial management systems (FMS); develop POM chapter 2.	PFM Adviser	31 May 13	Action complete	• Chapter 2 of the POM Complete and approved by Ministerial Dispatch.	Complete	Y	
Detailed financial management system (FMS) designed and in use place for field test	PFM Adviser	21 Jun 13	Action complete	• Community Financial Management Manual prepared and approved by Council of Directors of MoSA	Complete	Y	
MAE/BNCTL MOU in place for Suco banking arrangements	PFM Adviser	1 Jul 13	Action complete	• MOU signed with BNCTL during June 2013	Complete	Y	
Support opening of 60 suco bank accounts (2 per suco in the field test)	FM Adviser/ PFM Adviser	15 Jul 13	Action complete	• Bank accounts opened for 30 Sucos.	Complete	Y	
Development of and support in delivering FM Section of Module A (Introductory Training) to elected suco representatives	FM Adviser	31 July 13	Action complete	• Module developed and delivered in 30 Field Test Sucos in July 2013.	Complete	Y	
Support the disbursement of operations grants to 30 field test sucos	PFM Adviser/FM Adviser	31 July 13	Action complete	• Operational Grants disbursed to suco bank accounts 31 July 2013	Complete	Y	

Development of and support in delivering Module D (Financial Management 1) to key community members.	FM Adviser	6 Aug 13	Underway	• Delivered in Dili, Liquica and Manatuto to 36 EIP members from 18 sucos in late July. Remaining 12 sucos scheduled for early August	High	Y	
7. Training							
Design training and assessment materials for finance training	Finance Training Specialist / Vocational Education Specialist	30 May 13	Underway	• One day planning workshop with training partner Empreza Diak conducted • Research and drafting of course materials for 15 modules • Training materials complete for over 50% of the course • Assessment materials complete for over 60% of course	Low	Y	High likelihood that training and assessment materials will be complete as each training module is rolled out.
Plan for and implement catering at training venues	Procurement and Assets Manager	31 May 13	Underway	• Contract with Toll for catering for Tibar trainees • Contract with local restaurant in service for catering for Unio trainees	Low	Y	Toll has not yet signed their final contract
Deliver a three week field test training to 40 people	Training Manager	3 Jun 13	Action complete	• Three week training program designed and delivered covering: introduction to PNDS, social, finance and technical streams	Complete	Y	Community Facilitation Training Team took a lead role in planning and delivering this course.
Facilitate purchase of necessary equipment for technical training	Procurement and Assets Manager	30 Jun 13	Underway	• Procurement requests are processed on a weekly basis within the agreed request system	High	Y	

Deliver two six-week community training courses to 100 trainees.	Social Training Specialist	20 Sept 13	Underway	- One six week community facilitation training course complete 46 trainees achieved competency in each of the 8 training modules	High	Y	The second round of training will commence on 12 August and will be complete by 20 September
Deliver three-month finance training course to 100 trainees.	Finance Training Specialist	27 Sept 13	Underway	The first four modules of SDFF training complete: • Introduction to PNDS • Socialisation - District & Sub District • Socialisation – Suco / Aldeia • Opening a bank account 100 trainees selected, 97 signed contracts, 1 trainee withdrew = 96 trainees enrolled	High	Y	

Deliver an eight month technical training to 200 trainees	Technical Training Specialist	11 Nov13	Underway	• Six basic knowledge of civil engineering modules complete: technical drawing, soil mechanics, basics of foundations, materials technology, measuring and mapping and cost analysis & budget planning • Six basic techniques of construction modules complete: simple roads, simple bridges, water supply, sanitation, simple buildings and simple irrigation • One week of CNEFP modules taught: basic carpentry, solar panel installation, basic electrical installation and basic plumbing • One week of training provided by external trainer Richard Nganey, on mentoring techniques, community empowerment, lateral thinking and problem identification	High	Y	Implementation of the training is running according to the schedule set primarily in the first quarter.
Seek INDMO accreditation for technical, community, and finance training.	Vocational Education Specialist	30 Nov 13	Underway	• Assessment tools and framework developed for National Certificate in Community Facilitation • Qualification registration submission drafted • Negotiating with CNEFP to issue technical trainees a Certificate II in General Construction (subject to mapping against INDMO unit requirements)	Low	Y	Requires INDMO to establish & convene a new sub-committee to review Qualification Registration Submission for the proposed National Certificate in Community Facilitation.

8. Field test

Provide logistical and financial support for socialisation in five field test districts	Logistics and Office Manager	2 May 13	Action complete	• Catering support was provided for all five socialisation districts and venue rental for Dili District. • Vehicle rental and additional transport support was provided	Complete	Y	
Field Test complete in 30 sucos. (outlined In Steps below):	PNDS Field Team (Secretariat Field Team and Cardno TA Team for Field Test)	31 Jan 14	Underway	• Full completion of the 3 first phases of the PNDS Project Cycle • Ongoing process of Phase 4, 5 and 6 of the Project Cycle • Ongoing and continuous technical assistance and capacity development to the PNDS Field Team and PNDS Secretariat in the areas of management and program implementation	High	Y	Beyond-control factors that can inhibit the achievement: a. Raining season against construction process b. ADN long scrutiny process on the PNDS proposal c. Slow disbursement of infrastructure funds
Step 1: Socialization to District and Sub-Districts	PNDS National Secretariat	10 May 13	Action complete	• Coverage: 5 districts • Participation: approx.. 5000 people in total from district and sub-district government of the field test • Women engagement: 39% of the total number	Complete	Y	
Step 2 (a): Socialization in sucos and aldeias	PNDS Field Team	26 May 13	Action complete	• Coverage: 30 sucos and 151 aldeias • Participation: 4950 people in total • Women engagement: 1945 women (or 39% of the total number)	Complete	Y	There were 3 aldeias that did not participate in the socialization event. They all come from Suco Comoro. The reason for their absence remained unclear (i.e. some said "busy, other said "not interested", etc).

Step 2 (b): Formation of suco's CMT	PNDS Field Team	8 July 13	Action complete	• Coverage: 30 sucos • Participation: 444 people in total • Women engagement: 213 women (or 48% of the total number) • CMT members elected: 330 people, 154 women (or 47% of the CMT members)	Complete	Y	
Step 3 (a): Signing of Annual Grant Agreement between PNDS and Sucos	PNDS Field Team	15 July 13	Action complete	• Coverage: 30 sucos • MOU documents: 30 MOUs	Complete	Y	
Step 3 (b): Opening sucos bank accounts (2 accounts for each suco)	PNDS Field Team	15 July 13	Action complete	• Coverage: 30 sucos • Bank account opened: 60 accounts	Complete	Y	
Step 3 (c): Transfer of operational funds to sucos	GoTL (MoFA)	15 July 13	Action complete	• Coverage: 30 sucos • Total funds transfer for sucos' operational funds: USD 164,250	Complete	Y	

Step 4: Training to CMTs on Module A to E	PNDS Field Team	25 July 13	Underway	• Coverage: 30 sucos and 5 districts • Events: 30 trainings at suco level, 13 trainings at district level	High	N	As of 31 July, all training events for Module A (suco level), B (district level) and C (district level) were complete, whilst Module D (district level) are underway (3 complete, 2 in the first week of August). All of the training events (especially for the sub-district level Module E) are planned to finish by 15 August 2013. Time is very limited and sucos operational funds were not available in time (which then required supportive intervention from AusAID)
Step 5: Priority settings in aldeias and sucos	PNDS Field Team	10 August 13	Underway	• Coverage: approximately 25 sucos and 100 aldeias	High	Y	
Step 6: Proposal writing and verification	PNDS Field Team	15 August 13	Underway	• Coverage: approximately 25 sucos.	High	Y	
Procure equipment and develop information systems to support the PNDS field test	IT Manager	20 Dec 13	Underway	• Field test equipment procured • Information systems rolled into MIS development	High	Y	Information system development to support the field test was rolled into full MIS development as it is not possible or an effective use of resources to support these two activities concurrently. Field test data will be used to test and prototype MIS features during development.
9. Monitoring and evaluation							
Develop and roll-out a system for monthly and quarterly reporting	Operations Manager	31 May 13	Action complete	• New Q4 reporting format agreed with AA • Monthly report tabled monthly at the AA/Cardno co-ordination meeting	Complete	Y	

Develop PNDS Support Program Annual Plan 2013	Operations Manager	30 Jun 13	Action complete	• Plan in place for Q4 but requires quarterly revision	Complete High	Y	Recast as Six-Month Plan
Develop a plan to improve ITC and information systems at PNDS Secretariat to enable introduction of MIS in 2014	ITC Manager	15 Sept 13	Underway	• MIS costing and scoping document developed including costing to reach a supportable baseline in the PNDS secretariat • Procurement underway for for MIS and file server for to meet needs of secretariat	High	Y	Plan was presented as work that is required to ensure MIS can function within secretariat environment. Procurement and setup to be covered under MIS work
Development of costing and scoping document for MIS options	IT manager	1 Oct 2013	Action complete	• Document produced, plan and budget approved	Complete	Y	Approved plan is ambitious but probably achievable in timeframe and budget provided
PNDS MIS designed and developed ready for roll-out	ITC Manager	30 Nov 13	Underway	• Request for tender for design and development services from 3rd party prepared for distribution in August • High level design due for completion in early September	Medium	Y	This activity was bought forward in July aiming for full system design, development and a limited rollout to district offices complete by the end of 2013. This is an ambitious timeframe however can likely be met providing system can be scoped appropriately to focus on financial and progress reporting
10. Operational and activity support							
Plan, procure and implement fit-out of PNDS Secretariat office	Procurement Manager	15 Jun 13	Underway	• Office layout complete for all workstations • Workstations and chairs procured but not yet delivered	Low	Y	Challenges were faced having to ship goods into Timor from overseas. These ran into a number of delays, namely typhoons in China that delayed the initial export of the workstations.

Support PNDS Secretariat to plan, procure and implement fit-out of PNDS Secretariat & District Offices	Corporate Services Adviser	28 Feb 14	Underway	• Some assets have been and are being procured. • 2013 asset needs assessment has been complete, highlighting further procurement needs of ~$800,000 for Oct'13 scale-up to full implementation.	Moderate	N	Funds required to be transferred to 2013 minor capital budget, or AusAID support, for extra asset procurement & extra national office space asap. National assets cannot be procured until more office space secured.
Support AusAID requests for secretariat related activities	Logistics and Office Manager	7 Feb 14	Underway	• Basic supported provided for trainee recruitment • Administrtaive support provided as outlined in the transition strategy, due to phase out end of July 2013 • Other general support as required	High	Y	Appropriate inputs adequate based on existing support parameters but depending on new FY priorities this could change

11. Financial and Procurement Management

Implement weekly cash payments for 200 technical trainees	Finance Manager	11 Nov 13	Underway	• Payment system ongoing with no major errors.	High	Y	
Manage procurement and contracting projects for community mobilisation and financial training venues	Procurement and Assets Manager	30 May 13	Action complete	• The vendor selected for the provision of the training venue and catering services for the social and financial facilitation training, Unio Training Center ('Unio') was engaged on 29 May 2013 following public tender processes.	Complete	Y	The formal contract document CM01 FM01 was executed on 11 June following further negotiations. Field test training commenced at the venue on 13 May. Social and financial training commenced on 24 June and 8 July respectively.
Select training partners to perform community and financial training	Procurement and Assets Manager	30 May 13	Action complete	• Training partners for both the financial facilitation training and social training were engaged by the due date. Formal contracting processes were complete by 29 May and 12 June respectively.	Complete	Y	

Implement trainee payments for community mobilisation training.	Finance Manager	17 Jun 13	Underway	• All payments made as per schedule and trainee contracts	High	Y	
Implement trainee payments for finance facilitation training	Finance Manager	1 Jul 13	Underway	• All payments being made as per schedule and trainee contracts	High	Y	

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Identify personnel needs and manage master personnel plan for inputs into TNs.	Operations Manager/ HRM Manager	7Feb14	Underway	• Personnel plan updated as needs change and inputs provided to TN (and CA).	High	Y	Ongoing requirement
Develop and implement performance management review system.	HRM Manager	15May13	Action complete	• Performance Management System and forms for LTA, STA and LES developed and approved. • System rolled out and first Performance Management Reviews complete and in accordance with the schedule agreed.	Complete	Y	
Develop and implement recruitment service standards.	Cardno Jkt/HRM Manager	30 Jun13	Underway	• Analysis of recruitment services against standards conducted (refer Annex A).	Low	Y	Draft service standards still to be finalised and agreed with AusAID.
Develop and implement check-in and induction process.	HRM Manager	30Jun13	Underway	• Check-in/induction is being conducted. • Some policies and documents being reviewed (eg. security manual and associated security briefing for new advisers/staff).	High	Y	Together with GfD team, security manual is being reviewed and pre-arrival information for advisers is being developed further.

Develop and implement contract management system.	Cardno Jkt /HRM	31Jul13	Action complete	• The contract management system (Personnel Tracker) is in place.	Complete	Y	There was discussion around the Personnel Tracker being developed into a database, however, this will not be done by Cardno Jkt. Propose that HRM Unit in Dili will develop PNDS staff database only.
Develop and implement attendance and leave management systems.	Cardno Jkt /HRM	31Jul13	Action complete	• All attendance and leave is managed by HRM Unit in Dili as of 30 June.	Complete	Y	
Recruit and select advisers and LES personnel in accordance with personnel plan and recruitment service standards.	HRM Manager	7Feb14	Underway	Positions for which recruitment was conducted during Q4: • LTA/STA - Senior Program Coordinator (STA 26 June – 24 Aug, then LTA from 1 Sep) • LTA – HRM Adviser (start Aug) • LES – Engineer Trainer, Finance Management Trainer, Finance Site Manager, 2 x drivers for field test, Finance Assistant, Senior Sect Support Officer.	High	Y	Full performance results at Annex C.

13. ITC

Development of information systems to support technical, social and financial management training	IT Manager	1 Jun 13	Underway	• Changes made to databases to accommodate for different training and payment scenario produced • Creation of reports for management of leave and individual student progress have been produced • Continual support to this system is required but support work is reducing over time	High	Y	Small changes have been required to support different payment models across courses (weekly payment for Tibar, a mix of weekly and bi-weekly payment for Unio based courses) however these have been manageable; no foreseeable need for major changes at this point. Integrating trainee information (potential SDTF) into MIS will need some work
Development of a plan to improve information systems at PNDS secretariat	IT manager	15 Sept 13	Action complete	• MIS costing and scoping document included this plan and costing to reach a supportable baseline in the PNDS secretariat • Procurement underway for MIS and file server to meet needs of secretariat	Low	Y	Plan was presented as work that is required to ensure MIS can function within secretariat environment. Procurement and setup to be covered under MIS work
Setup of core ITC systems in Balide office	IT manager	1 Jun 13	Action complete	• Systems now setup and functional	Complete	Y	Aside from a two-day outage caused by a combination of ISP default, a power outage and key staff unavailability the Balide office systems have been functioning very well and technical support requirements have been reducing over time.

Setup of core ITC systems at PNDS secretariat to enable the introduction of MIS in 2014	IT Manager	1 Dec 13	Underway	• Plan and costing produced in conjunction with MIS activities • Procurement underway for database and file server for secretariat • Antivirus system procured and installed on all secretariat computers • Network cabling complete and managed network facilities setup • Temporary shared drive facility setup (will become backup facility once server is commissioned).	High	N	Secretariat has not recruited any IT officers to support their already growing user base. Cardno IT team cannot provide desktop support to Balide office, training centres and all PNDS secretariat staff. Implementation of server will require additional technical support from 3rd party (already approved).This situation will continue until recruitment and capacity development activities, to train IT staff to use a managed environment, are complete.
Development of costing and scoping document for MIS options	IT Manager	1 Oct 13	Action complete	• Document produced, plan and budget approved	Complete	Y	Approved plan is ambitious but probably achievable in timeframe and budget provided
Development of high level design and plan for MIS development	IT Manager	20 Dec 13	Underway	• Request for tender for design and development services from 3rd party prepared for distribution in August • High level design due for completion in early September	High	Y	This activity was bought forward in July aiming for full system design, development and a limited rollout to district offices complete by the end of 2013. This is an ambitious timeframe however can likely be met providing system can be scoped appropriately to focus on core financial and progress reporting
Procurement of equipment and development of information systems to support the PNDS field test	IT Manager	20 Dec 13	Underway	• Field test equipment procured • Information systems rolled into MIS development	High	Y	Information system development to support the field test was rolled into full MIS development as it is not possible or an effective use of resources to support these 2 activities concurrently. Field test data will be used to test and prototype MIS features during development.

Provide support to Technical engineering, social facilitation and financial management training	IT Manager	1 Dec 13	Underway		High	Y	Ongoing activity until training is complete
Provide support to Balide office and PNDS secretariat information systems and users	IT manager	31 Dec 13	Underway		High		Ongoing activity until such time as support for the PNDS program can be handed over to PNDS secretariat IT. Balide office support is an ongoing activity until year end

ANNEX B. ANALYSIS OF ADVISER RECRUITMENT TIMEFRAMES AGAINST SERVICE STANDARDS

The draft recruitment service standards specifies the following targets:

- Time elapsed from the date a vacancy notice closes to the contract start date: 9.5 weeks

Performance results for the current quarter are as follows:

Position	Time from vacancy close to contract start (no. of weeks)	Performance target met
Long term advisers (LTA)		
Senior Program Coordinator	4	Y
HRM Adviser**	6	Y
Total	**Average weeks 5**	

*The following LTA and STA positions were not advertised or recruited externally as they were filled with existing advisers:

- 1 x Corporate Services Adviser (previously Operations Adviser)
- 1 x Senior Program Adviser (previously Senior Program Coordinator)

**This position was advertised in January 2013 and not filled. Due to the urgency of filling this position, a suitable candidate was sourced from existing databases and contact lists.