



SNAPSHOT OF THE SIXTH CONSTITUTIONAL GOVERNMENT MANDATE [2015 - 2017]



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OF THE SIXTH
CONSTITUTIONAL
GOVERNMENT
MANDATE
[2015 - 2017]

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Message from H. E. Prime Minister

Snapshot of the Sixth Constitutional Government mandate [2015 – 2017]

“One for all and all for one”



The Sixth Constitutional Government took office on February 16, 2015 and, solemnly affirming on the Constitution of the Democratic Republic of Timor-Leste, it made a commitment, with honour and statesmanship, of doing its utmost to serve the Nation and our people.

The unusual circumstances that led to the formation of the Sixth Government has placed a double burden of responsibility upon us regarding our destiny, both as a country and as People. This was an unique moment in our history that has marked the political life of our country and the History of Timor-Leste. The mature and responsible transition made to the “younger generation” has proven the consistency of our democracy, which makes us all proud.

Aware of our heritage, the Sixth Constitutional Government worked hard during two-and-half-years, with rigour and perseverance, to keep providing peace and safety to our people; to create better life conditions; to build basic infrastructure; to investing in our human resources; and to enhancing the diversification of our economy, thus furthering our national development process.

Based on the premise of keeping the work already begun by previous Governments, we committed ourselves to improve and provide better services to all citizens, with higher quality and greater proximity, and to adopt policies while avoiding the inadequate use of public funds, in all four sectors of the Government Program.

This commitment has guided us through the mandate 2015-2017, fulfilling our goals for the social, infrastructure, economic and governance sectors with honesty, responsibility and efficiency.

We have thus achieved significant progress regarding health by launching the Comprehensive Package of Primary Healthcare and the Health in the Family; improving emergency healthcare, the rehabilitation and building of health infrastructure, and I highlight here the completion of the Baucau Regional Hospital.

We built new schools, trained teachers, distributed tables, chairs, books and other learning materials; implemented a new curriculum in the first cycle of Primary School and financed the school feeding program which are the basic requirements for a quality education for our children and youth.

We delivered a social protection policy by supporting the most vulnerable citizens, without forgetting our National Liberation Fighters. We also approved the General Welfare Regime Law

and the National Institute of Welfare, another key steps for the sustainability of the welfare State we believe in.

We continued developing basic infrastructure which, in addition to enhancing the growth of our economy, facilitated development across other areas such as education, health and employment. The construction and rehabilitation of roads and bridges, the national power grid project, the water supply systems and the irrigation schemes were construction projects undertaken by us.

In the economic sector, we strived and developed the Guide for Reform and Economic Growth to be used as a clear strategy towards the diversification of the economy. We have supported small and medium enterprises and entrepreneurs, cooperatives and micro-enterprises in several areas, as well as fostered agriculture, fishing and livestock activities, promoting the development of this sector so important to the country. To these examples we may add a new Customs Authority and Code and the approval of a new Tourism Policy, among other legislation, which shall bring a new life to the private sector and to national and foreign investment.

Along with the Economic sector reform, the Sixth Constitutional Government also started, in regards to governance, three strategic reforms in the country - the Fiscal Reform; the Public Administration Reform; and the Legislative and Justice Sector Reform. Improving management and transparency of public finances and increasing State revenue, improving their execution with accuracy, responsibility and effectiveness; capacitate and improve the performance of public administration with quality public services; and revising and harmonizing the legal framework critical for good governance and institutional development, goals that we keep seeking and whose achievements became nearer.

While true that much has been achieved in these two-and-half-years; it is no less true that a lot remains to be done. Nation building is an ongoing process that requires everyone's contribution. Sustainable development requires that everyone is included; therefore we cannot slow down our commitment as the country moves forward.

I invite you all to read about the main achievements of the Sixth Constitutional Government, which make us proud. These are testimony to the success we may attain when we work "One for all and all for one", the motto of this Government I had the privilege to lead.



Dr. Rui Maria de Araujo,
Prime Minister

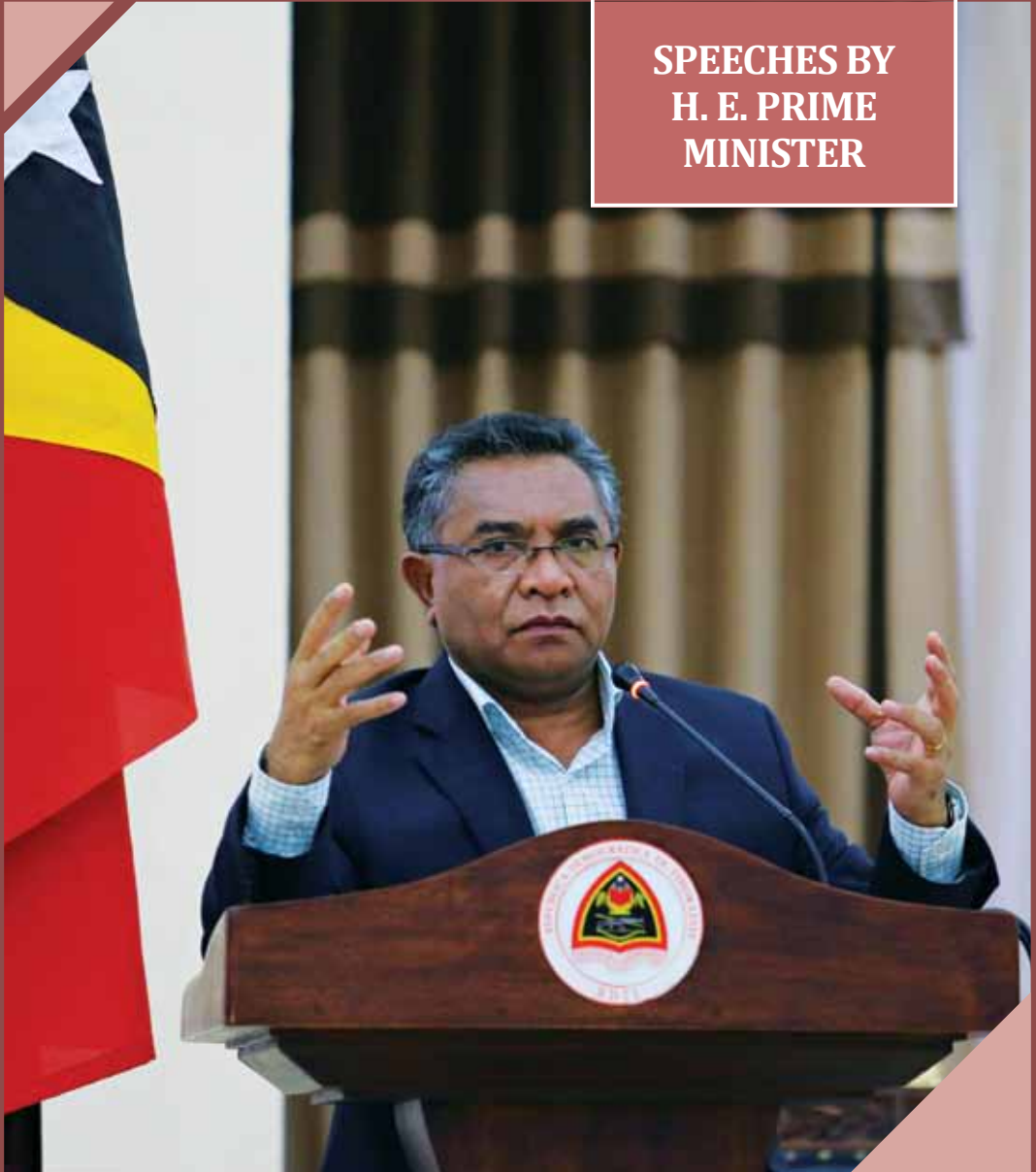
The Prime Minister of the Democratic Republic of Timor-Leste was sworn-in on February 16, 2015 as Head of Government by His Excellency, the President of the Republic. In his first speech at the National Parliament on March 24, 2015, he addressed the nation re-affirming the commitments made by the Sixth Constitutional Government to the Timorese people.

- Swearing-in
- Presentation of the Program of the Sixth Constitutional Government



**SNAPSHOT OF THE SIXTH
CONSTITUTIONAL
GOVERNMENT MANDATE
[2015 - 2017]**

**SPEECHES BY
H. E. PRIME
MINISTER**



**SPEECH BY HIS EXCELLENCY THE PRIME MINISTER
DR RUI MARIA DE ARAÚJO ON THE OCCASION
OF THE SWEARING-IN OF THE SIXTH CONSTITUTIONAL GOVERNMENT**

Lahane Palace, Dili
16th, February 2015

Your Excellency the President of the Republic
Your Excellency the Speaker of Parliament
Your Excellency the President of the Court of Appeal
Your Excellencies Former Heads of Bodies of Sovereignty
Most Reverend Bishop Dom Basílio do Nascimento

Distinguished Members of Parliament
Distinguished Government Members

Your Excellencies
The Chief of the Defence Force and
The Interim Commander-General of the National Police Force

Your Excellencies
The Representatives from the Diplomatic Corps
The Representatives from the International Agencies
The Representatives from Civil Society

Honourable Guests
Ladies and Gentlemen

People of Timor-Leste,

It is truly with a sense of honour and responsibility that I accept today the mission of leading the Sixth Constitutional Government.

I would like to start by thanking His Excellency the President of the Republic for his confidence in appointing me. I would also like to reiterate my commitment and loyalty to the Constitution of the Democratic Republic of Timor-Leste, the law and the principles of the separation of powers, and without neglecting the indispensable institutional cooperation and respect for the roles of the Head of State, Parliament and the Judiciary.

Today is unquestionably an historic day in the political life of Timor-Leste. With the exceptional circumstances that led to the formation of this Sixth Government, we now have a more pragmatic logic of serving the national interest above any other. In doing so, it is important that the coming together of wills, experience and skills will allow us to overcome the traditional political and democratic contest, so that we may meet the challenges faced by the country.

Despite their own political convictions, the members of the Sixth Government will put the interests of the people above any other partisan interests.

It is my duty to also thank the President of CNRT, the national political commission of CNRT and the party as a whole as well the leadership of the other two parties of the coalition block. It honours me also to thank the party I belong, the historic and glorious Fretilin that has always known how to sacrifice itself for the common interests of the Maubere homeland. Without the trust of CNRT as well its two coalition partners and without the acceptance of Fretilin we would not have made history today.

In 1984, Kay Rala Xanana Gusmão chose a policy of national unity as the key strategy for liberating the Homeland. Although some comrades-in-arms disagreed at the time, national unity continued gaining momentum and, 15 years later, Timor-Leste finally achieved its desired goal. Thirty years later, history is now repeating itself. Kay Rala Xanana Gusmão is choosing the same path for liberating the people. Whether this is an historical coincidence or not, the fact is that we now have 15 years to go until the end of the period set for the achievement of the goals of the Strategic Development Plan. History will judge our performance in 2030.

Today is also an outstanding day for the history of democracy of our country. Today is the day when the future is rescued from the past - the day when our older siblings and the parents of our nation transfer the responsibilities of running the country to the younger generation.

Our older leaders do this as they have always done things, that is, by weighing the risks and the basic need of consolidating our young democracy. They do this seamlessly, without any leaps or gaps! They do this the way we have grown used to watching them do things, even if sometimes we did not realise it – with courage, integrity and wise leadership.

Here I must recall the great, late Nicolau dos Reis Lobato, Francisco Xavier do Amaral, Nino Konis Santana and Mau-Hodu, as well as hundreds of intermediate and senior officers and the nearly two hundred thousand Timorese who died during the liberation struggle. I also want to honour our older brothers Kay Rala Xanana Gusmão, Má-Hunu, Taur Matan Ruak, Francisco Guterres Lu-Olo, Lere Anan Timur, Mari Alkatiri, José Ramos-Horta, Rogério Tiago Lobato, Abílio de Araújo and José Luís Guterres, who are fortunately still alive and in our midst. All of them, our national heroes praised this inheritance which is now our legacy and it is now up to us, with responsibility, to continue. I believe that we are worthy of the trust that is being placed in us.

These older brothers, who struggled for four decades so that we might see a day such as today – with weapons of war or diplomacy, with blood and tears, with work and sacrifice – side by side with so many other national heroes, have given us our national independence.

Subsequently they started a new struggle, and that is building the foundations of our State. They built our democratic institutions and they identified the essence of democratic values in Timor-Leste: peace, reconciliation, solidarity, pluralism, tolerance and dialogue.

And if our older brothers and sisters, who one day decided that national unity was vital for ensuring the survival of our Nation and who led us to our freedom, now tell us that it is once again necessary to converge ideas, policies, actions and priorities around the common cause of the consolidation and development of Timor-Leste, then we, the younger generation, must say that we are indeed ready to take on this responsibility!

We are ready and we are aware of the history of resistance that we must protect. We are united so that we may take on more leadership responsibilities and, if necessary, so that we may learn from our own mistakes.

Your Excellency, Former Prime Minister Kay Rala Xanana Gusmão, your efforts towards national unity and the sovereignty and development of the country are truly remarkable. It is doubtful that any of us from the younger generation will ever be able to match your charisma and your political stature. As such, I am deeply honoured to have been chosen to continue the legacy left by you and by the combatants of national liberation, and I promise to continue working to the best of my abilities in order to liberate our people. I vow to work in close cooperation and as a team with the ministers, vice-ministers, secretaries of State and particularly with the Minister for Planning and Strategic Investment of the Sixth Constitutional Government, so that we may together give justice to your vision and your leadership.

It is our duty and our obligation, and here I am speaking of the team of the Sixth Government in particular, and of each Timorese citizen in general, to honour the accomplishments of our predecessors and to build upon their legacy. It is the union of this new blood and of our energy, skill and expertise – because, in addition to being technically skilled, we must always be as disciplined and committed as those who came before us – which will enable us to continue improving service delivery and the living standards of the people of Timor-Leste.

Your Excellencies

Ladies and Gentlemen,

It is undeniable that we are inheriting a country that is stable, safe and peaceful. It is also a country with strong economic growth.

As such, it would be remiss of me not to highlight here the progress that Timor-Leste has achieved and that makes us an increasingly strong and capable country. This has been clear throughout our remarkable path over the last thirteen years.

The peace and quiet that we see throughout the country would not have been possible without the vital reforms made in the sectors of defence and security. We will continue to implement the strategic plans for these two sectors to make sure that we achieve the professionalisation,

integrity and strengthened capacity of our armed forces and national police. In this context, we will also give more attention to the patrol and vigilance of our maritime coast to protect our coral reefs and fish resources from illegal incursions in our sea.

The average annual economic growth rates of around 12.5% between 2007 and 2011, and of around 7% over the last three years, would not have been possible without important reforms in the area of public financial management and without public investment that is essential to the economic diversification of the country.

The increase of economic activity in the country and the positive signs of an emerging private sector are the result of a series of initiatives that should be continued, including the Chamber of Commerce and Industry, the Specialised Investment Agency, the preparations for the Development Bank, the Commercial Bank and SERVE, as well as of the support provided to small and medium companies, cooperatives and industrial and commercial groups.

The agencies that have been established, such as the Audit Chamber, the Anti-Corruption Commission, the Civil Service Commission, the National Development Agency and the National Procurement Commission, have strengthened governance and ensured that the key roles of managing, controlling, supervising and overseeing public monies and assets is undertaken. They have also enabled us to fight the scourge of corruption.

The establishment of the Petroleum Fund by the First Government enabled responsible and transparent resource management, for the benefit of current and future generations. It currently holds over \$16 billion, which must be protected and invested sustainably.

The full transparency in the petroleum sector is the result of the establishment of rigorous and accountable systems for managing the resources of the nation. The creation of regulatory bodies such as the National Petroleum Authority, as well as the establishment of the transparency model of Timor-Leste and of a world class resource management system, led Timor-Leste to be the first country in the Asia-Pacific region and the third in the entire world to be granted compliance status with the Extractive Industries Transparency Initiative.

The Special Funds, that is the Infrastructure Fund and the Human Capital Development Fund, contributed to the improvement of key national infrastructure and human resources.

The integrated plan for developing basic infrastructure, which covers the construction of road networks and access to electricity – the latter being the largest investment in infrastructure to date in Timor-Leste – will enable the development of all sectors, including the sectors of health and education.

Social justice, which supports and acknowledges veterans and which supports our most vulnerable citizens, such as mothers, widows, the elderly, the disabled and children, honours the ideal of freedom for which our grandparents, parents and older siblings fought, and is an important landmark achieved by previous governments. We are taking important steps in order to create a welfare regime in which everyone will contribute so that the welfare state we defend and desire for our society may be sustainable.

The administrative decentralisation process and the project of the establishment of municipalities, which includes sucos and traditional leaders, are vital so that we may have a more efficient and fair distribution of resources. These processes, as well as the Integrated District Development Plans and the National Programme for Suco Development, have been providing rural areas with the means to meet the needs of their populations, while encouraging businesses and local economic development.

With the perspective of continuity that we want to have in the Sixth Government, I must mention the efforts that have given Timor-Leste credibility in the national arena.

Timor-Leste was able to overcome its crises and setbacks and to assume ownership of its strategic sectors, such as internal security. The departure from our country of the International Stabilisation Force and the United Nation's Mission in late 2012 showed that we are a country that has learned from our own fragilities, that has invested in reconciliation and that has achieved an environment of social and political peace.

In addition to the relationships of diplomacy and friendship that we have been establishing with virtually every country in the world, we are increasingly taking part in international forums, so as to share our challenges and accomplishments.

We have excellent relations with our closest neighbours Australia and Indonesia and we will also continue promoting our historical ties of friendship with Portugal. The cooperation with these countries, as well as with the United States of America, China, Japan, South Korea, Cuba, Brazil and New Zealand and our friends in Africa, ASEAN and the European Union, will continue enabling the development of our country. As one of only two Catholic countries in Southeast Asia, we expect to sign the concordat with the Holy See by the end of the year. This will strengthen our ties even further with the Catholic Church.

In July last year we assumed the rotating Presidency of the *CPLP* and we will work with the other eight nations of this community to reinforce our friendship and to strengthen the growth of this institution through increased economic and business cooperation.

We have continued working in order to join ASEAN and we have been playing a role of international leadership and solidarity both within the g7+ and in terms of providing decisive support to the elections and the restoration of constitutional order in Guinea-Bissau.

Your Excellencies

Ladies and Gentlemen,

While the weight of our governance responsibilities seems lighter when we look back to the progress that has already been achieved, it feels enormous when we look at all that is still to be done.

Let us not harbour any illusions regarding the challenges that still exist across the various sectors. One of our current difficulties is the lack of data and reliable indicators on the situation of the country. The last official data we have on poverty dates back to 2009 and told us that almost

half the population lived below the national poverty line. Five years have since gone by and we know that economic growth has been a reality. However, we also know that the benefits of this economic growth have not reached everyone.

The report on the 2014 Millennium Development Goals, the 2013 Human Development Index and the 2014 Hunger Index shows that, while we have had some success, we still have a tremendous amount of work to do.

Our country can only aspire to development and progress if we make sure that its population is educated and healthy. However, in order to be educated and healthy, the people require access to drinking water and to proper housing. Consequently, agriculture, education, health, water and sanitation and housing are vital sectors requiring strategy and investment. Nevertheless, we must be realistic and set feasible goals in accordance with the most pressing needs and the resources available to us.

Over 50% of our population is less than 19 years old. This in itself shows the challenges of governance that must be directed to the needs and aspirations of the largest group of our society – children and young people.

We all have rights and duties. Access to education and knowledge is the first key step for creating an intelligent society that can take a stand against injustice, violence and inequality.

Poverty cannot be a permanent condition. We must provide our most underprivileged citizens with the tools to escape from it. Although welfare support must always be part of a society of solidarity, the dignity of the human being, embodied by the principle of subsidiarity, requires that human beings are able to decide their role in society.

Your Excellencies

Ladies and Gentlemen,

We know that we have a limited timeframe, less than two and a half years, to give form and content to all the commitments made before the people and the voters who have legitimated the Fifth and now the Sixth Constitutional Governments. Nevertheless, we want to move the country forward and we are determined to do so.

We are not bringing forth a new program. We want to implement the Strategic Plan, and ultimately the program of the previous Government. We will be focussing on better service delivery and on the quality of works, in a manner that is efficient, effective and accountable.

Our priority is to fight the culture of bureaucratisation in public administration, which has become a giant with feet of clay.

The Sixth Government is committed to transforming this giant into a new bureaucratic order that is leaner, more professional, more technical and less politicised. This new order will favour merit against nepotism, which almost invariably leads to mediocrity. Professional skill and ability will be the core criteria for placing staff and advisors in positions.

Teamwork in order to achieve results, commitment by Government members and accountability – both political, administrative and criminal – regarding all acts and within the scope of each person's responsibilities are mandatory, rather than preferential, requirements for holding political offices.

Being accountable, delivering quality services and being disciplined are not options, but rather sine qua non conditions for serving the Timorese people. It is vital that we achieve this radical transformation in the mindsets of our public officers.

The assessing of performance and the measuring of outcomes will be the instruments for determining whether this transformation in our mindsets, administrative and political structures is truly progressing.

This firm position of strictness and integrity that I will be demanding from this Government and from myself will be the cornerstone of this executive, so as to enable good governance, transparency and the fight against corruption.

Your Excellencies

Ladies and Gentlemen,

The Strategic Development Plan sets a roadmap that encapsulates the needs and aspirations of the Timorese people. This plan is the result of a process of public consultation throughout the 65 sub-districts of the country, contributions by several ministries and the reviewing of experiences in other countries, lest we would make the same mistakes as they once did.

Our plan also tells us that sustainability and economic diversification are pressing needs. Timor-Leste has great economic development potential, since it possesses valuable natural resources, including untapped onshore resources and important petroleum reserves in the Timor Sea.

However, we know that these petroleum reserves are not renewable and, in the worst case scenario, may even run out in the years to come. While on the one hand we are fortunate to still have untapped resources, on the other hand we are one of the countries with the greatest petroleum dependency in the world.

As such, we must invest in a responsible and sustainable manner. This is a great challenge for any government, since we must meet the needs of the current generations while creating long-term solutions for the next generations.

In this sense, one of our priorities is to ensure the clear delimitation of our maritime and land boundaries in accordance with international law. The Prime Minister will be presiding over the Council for the Final Delimitation of Maritime Boundaries, approved by Parliament in late 2014, so that the people of Timor-Leste may effectively exercise their sovereignty over the national territory and the maritime area.

We all know that the price of oil has been dropping and that currently all the oil-dependent economies, such as ours, are vulnerable. As such, it is more important than ever that Government

investments are efficient and not wasted. And while the Strategic Development Plan contains the right policies for approaching this problem, their implementation requires a new dynamic.

A sustainable tax policy and public expenses that are consistent with what was planned are essential for avoiding waste and achieving satisfactory results. We cannot continue allowing waste and the ineffective use of public monies, most of which come from the Petroleum Fund. We cannot continue allowing our economy to be a consumer economy that relegates to the background those sectors that add value to the economy. Economic diversification must start to take on a new dynamic through intelligent investment in the more profitable economic sectors for Timor-Leste, such as tourism, agriculture and fisheries, and the petrochemical industry.

We are currently reforming the tax system in order to improve the financial balance of the country and to collect greater domestic revenue. If we had paid more attention to tax administration, domestic revenues today might exceed their current share of 7-8% of the GDP.

With around 75% of our population living in rural areas, investing in livestock and agriculture must mean more than purchasing animals and distributing them to breeders, or investing in the purchase of seeds and distributing them to farmers, hoping that the tractors, which are also distributed to farmers according to questionable criteria, may plough the dormant arable land in most of the country. In order for these initiatives to be successful we require a clear strategy that is interlinked with the other sectors, such as the economy and education. These investments will bring dividends if we can manage to create a line between production, selling and consumption, whether it is internal consumption or external consumption. Cooperatives should be nurtured further, in view of their potential role as the link between production and the markets.

We have tourism potential, which so far has not seen signs of serious prospection and investment. The tourist potential of the country provides us with inexhaustible sources of income. We must invest intelligently, making use of the growing economic supremacy of Asia, whose middle class aspires to greater opportunities and travel to tourist destinations. However, getting there requires a clear vision and an inter-sectorial strategy so that a boost can be given to that sector. We also need to be serious in terms of training our human resources and building basic infrastructure for tourism.

Furthermore, we will continue investing in a dynamic and integrated petroleum industry. The development of the south coast is projected and will contribute to the creation of jobs and jumpstart the industrial sector as a whole. Petroleum and natural resources should be the driving forces for strengthening the traditional economic sectors.

Quality basic infrastructure is vital for enabling economic diversification and development. While we already have actual plans and projects in this area – many of which are being implemented well – we must also pay more attention to the quality of works being undertaken in our country. We must absolutely demand professionalism, better planning, cost control and good cost-efficiency in relation to the materials we purchase and to the companies we engage.

Quality roads, bridges, ports, airports, public buildings, telecommunications and connectivity are the elements of infrastructure needed for our future.

The statute of the region of Oe-cusse Ambeno and Ataúro, where the Special Zone of Social and Economy Market pilot-project will be implemented will have our full support and attention. This is a pioneering integrated development project that connects social development with economic development, and I believe that we will soon be witnessing a success story where public investment results in sustainable economic growth.

The goal is the effective improvement of the living standards in the enclave and also Ataúro island, this one complementary and focused on tourism, bringing progress, employment, culture, access to quality basic services and ultimately a happy and dignified life to the population.

We can be optimistic in relation to the jumpstarting of the economic sector. This development is being supported by two great leaders: Dr Mari Alkatiri as the President of the Autonomous Region of Oe-cusse Ambeno and Kay Rala Xanana Gusmão as the Minister for Planning and Strategic Investment. Xanana Gusmão is clearly the ideal person for supporting the implementation of the vision of the Strategic Development Plan through this ministry.

Your Excellencies

Ladies and Gentlemen,

When talking about development, one also talks about justice and law. We will not be able to build a fair country unless we can guarantee that justice is a cornerstone of our society and that it is accessible to everyone. As such, we must improve the way our agencies operate, which requires strengthening the abilities and skills of their staff. In turn, this requires a thorough assessment of the sector of justice and the establishment of a new framework of cooperation that is adequate to the needs of the country.

Evidently, we must also continue promoting the creation of an enabling framework that leads to a modern and progressive country. Here I must mention that which I believe to be one of the most important laws that the country needs to approve – the Land and Property Law. Legislating in this area is vital for internal and external investment. Without this law, we may not be able to realise projects that are essential for creating employment.

As I have said before, health and education are strategic areas influencing the development of all other sectors. Having been trained as a doctor, I am familiar with the conditions in which health professionals work in Timor-Leste, often having to contend with a lack of equipment, hygiene and infrastructure. We cannot have medicine stored in a warehouse instead of in hospitals or health clinics. It is unacceptable not having materials for performing surgery or for carrying out X-ray examinations because those materials have not been purchased on time or are waiting for an authorisation.

The Ministry, the hospitals and the health clinics must cooperate and each must assume their own responsibilities, so that the people may have access to quality health services. And if something

fails, say if a staff member, a manager or a minister cannot perform their tasks, then they must be held accountable, because they are not being professional and they are not protecting the interests of the State. And this applies to each and every sector, without exception.

The Government is responsible for promoting policies and investments that guarantee that every Timorese citizen has access to food, drinking water and basic sanitation, as well as that drastically reduce disease, child mortality and school failure, because a healthy and well-fed child has a much stronger capacity for focussing and learning.

While my training is as a doctor, my passion is education and professional training. Although we have made some progress in this area from a theoretical and even legal perspective, the truth is that service delivery in this area is below what the Timorese citizens need and that which the Government and the public servants can indeed deliver.

Even if we have the best curriculum in our schools and universities, without good administrative and financial management, proper planning, institutional coordination, skilled human resources, adequate infrastructure and result-oriented goals, and without constantly correcting and adjusting those actions that did not go so well, we will never be able to provide proper basic services in key areas such as education.

Our country still faces many challenges. Teachers must improve their knowledge and skills, while the Government must provide them with the necessary conditions for carrying out that noble task of imparting knowledge to our children and young people. We require commitment, motivation and professionalism, and we need to foster the learning of the Portuguese language and promote its use in the teaching of science, mathematics and other areas of knowledge. Education challenges go beyond language issues and include our ability to teach well. Consequently, we have the vital task of making sure that our teachers have the necessary conditions for improving their skills, while training new teachers with a strong pedagogic and scientific component.

I also believe that it is essential for us to increasingly encourage women to continue their studies and to enter the job market. Someone once said that *"by teaching a boy you teach one person; by teaching a girl you teach the whole family"*. I would go as far as saying that you also teach a nation.

One of the initiatives that made me the proudest while an advisor to the Ministry of Finance was mapping the staff of that ministry, identifying women as potential managers and subsequently supporting them in attaining leadership and management positions. Today, women represent 32% of the leadership team of the Ministry of Finance, which is inspiring.

In today's modern world, it is unbelievable that domestic violence and abuses against women continue occurring in so many countries. Sadly this is also the case in Timor-Leste, where women are common victims of abuse and discrimination. We cannot allow violence against women to continue, whether it is physical violence or psychological violence. We must fight this in our homes, our jobs and our institutions.

Not wishing to take any more of your precious time, I would like my final words to go to the Catholic Church and other churches, to the civil society and to the Timorese citizens in general.

I would also like to use this opportunity for a special mention of thanks to the Reverend Bishop Emeritus Dom Alberto Ricardo da Silva for his singular work on behalf of the Timorese. The Catholic Church has been a fundamental foundation to our People and the trust that is given to the Reverend Bishop Dom Basílio do Nascimento, to the post of apostolic administrator of Dili is shared by all of us.

The Civil Society over the last few years has contributed more and more in a responsible and participative way in the process of State building and in our democracy. The Sixth Constitutional Government will continue to invest in this fundamental approach, including with NGOs and the media, because it is in our national interest to give more impetus to the democratic way of living in our country.

This process of transforming the country requires the participation of us all. We all have rights and duties and we all must participate responsibly in the building of our State and our nation. This government wants to establish partnerships where you will be able to have a more active participation through what is known as a social audit, where the indicators of government action are thoroughly reviewed with greater accountability, so that by working together we may be able to provide better services to our people.

Governing through dialogue, making the most of constructive criticism and correcting that which does not yield positive results are commitments that can only be successfully implemented if everyone plays a part. Building an inclusive and tolerant society is only possible when everyone is willing to play a responsible role in national development.

We also want to continue nurturing cooperation and institutional solidarity with our development partners, who have been important allies in our development efforts. We Timorese must have the humility to acknowledge that we have never been alone and that we can achieve more if we work together. Meanwhile we must streamline our methods of work, adopting the principles set in the Paris Declaration, in the Accra Agenda for Action and in the commitments made in the high level forum in Busan concerning a Partnership for Effective Development Cooperation.

We must reinvigorate the motto – *All for one and one for all* – for the team of this executive government.

We can do better by working together – this should be the spirit that moves our society. Our society will have the level of solidarity and unity depending upon what each of us contributes, with a true sense of courage, duty and responsibility, so that we may work together in building our nation.

Thank you very much.

Dr Rui Maria de Araújo

16 February 2015

**SPEECH BY HIS EXCELLENCY THE PRIME MINISTER
DR RUI MARIA DE ARAÚJO ON THE OCCASION OF THE PRESENTATION
OF THE PROGRAMME OF THE SIXTH CONSTITUTIONAL GOVERNMENT
TO NATIONAL PARLIAMENT**

National Parliament, Dili
24 March 2015

Your Excellency
The Speaker of Parliament

Your Excellencies
The Deputy-Speakers of Parliament

Your Excellencies
The Members of Parliament

Fellow colleagues
Dear Government Members

Ladies and Gentlemen,

It is with great honour and satisfaction that, for the first time as Prime Minister of the Sixth Constitutional Government, I address this Great House of Democracy. I believe that both Government and Parliament will be working together constructively in order to build the present and the future of our Nation.

A little over a month after being sworn-in, the Government comes here today, as required by the Constitution, to submit the Programme of the Sixth Constitutional Government to debate and consideration by the Distinguished Members of Parliament in this great Assembly.

I must state that this is an enormous responsibility for me and for the whole Government. It is a responsibility because it is an immense privilege to work with and for the Timorese people and because our actions must convey the *great respect* that we have for the legacy we received from the previous government.

By taking on our new tasks, we are also assuming the commitment of honouring and preserving our story of resistance, of dignifying the accomplishments of our heroes and veterans, and of continuing the process of building and consolidating our State, our agencies and our democratic values.

We, the new generation of leaders, have been given the opportunity to continue the efforts

towards national unity, sovereignty and development. We must create new synergies in order to continue fighting tirelessly to free our people from misery, illiteracy, ill health, injustice, inequality and all other abject conditions that characterise poverty.

This is a national cause that requires the participation of us all. This is a challenge that forces us to be resilient, disciplined and dedicated, as were all Timorese heroes – the martyrs and those who are still alive – when they gave all they had so that Timor-Leste could become an independent Nation.

This accomplishment was not achieved by a few, but rather by all the people. Similarly, it will not be the isolated efforts made by this Government that will enable us to overcome the obstacles of poverty, but rather the joint efforts by all past, present and future Governments, working in close collaboration with the other Bodies of Sovereignty, Civil Society and all Timorese citizens – all united in this cause of development and working responsibly towards the common good of all the people.

Our “culture of the resistance struggle” shows that this political and social approach yields good results. We must, however, use our past as guerrilla fighters to build a “culture of development”. As such, the cornerstones of our government are continuity, responsibility and collective participation.

This new dynamic of a younger, more functional and more efficient structure, that former Prime Minister Xanana Gusmão wanted to instil within the new Government and in society in general, by passing the torch, may and will succeed, as long as we can change mindsets, so that the priority of every Timorese citizen will be to love their Homeland, respect their compatriots and work to benefit everyone and not just themselves.

And when we speak about civil servants this is even more relevant, who have added responsibilities in ensuring the fair and transparent management and implementation of public investments.

The Sixth Government brings together the right components for encouraging better service delivery to the population: there is a convergence of talent, skills, experience with deliberations that are exempt from political and partisan ideologies, doctrines and interests.

In addition to our abilities, skills and thorough commitment, we have the wisdom and the knowledge of our older leaders and our mentors. We will consult with them and listen to them with humility and we will carefully weigh the pros and cons of our actions, so as to achieve an integrated and sustainable development process.

For this same reason, I must underline the importance of a vital aspect that the Sixth Government has inherited and that will surely be important for what we can make of Timor-Leste in the future: the atmosphere of peace and social and political stability we experience in the country!

These are key factors for economic growth. Without peace and stability there is no national or foreign investment, there is no tourism and, more importantly, there is no trust by the people in their agencies and in their leaders.

There will be no room for permissiveness or passivity in situations that jeopardise the public order and the authority of the State. Consequently, maintaining internal stability and safety will continue to be a priority target for the Government.

As the good students we need to be, we have learned from the past. Our recent history has shown us the importance of addressing the root causes of problems and of being determined in finding solutions, so as to achieve long term results that promote reconciliation and the feeling of safety, and that preserve the ideals of freedom for which the Timorese fought for more than two decades.

For this reason as well, I would like to reiterate that this government transition – from the Fifth to the Sixth Government – is a landmark for democracy in the country, since it was founded on the pragmatic logic of serving the national interest above any other and of finding solutions to the challenges faced by the country. This is to be achieved in a gradual and continuous manner, so as to enable long term success.

Your Excellencies

Ladies and Gentlemen,

The Programme of the Sixth Government has little over two years to be implemented. Because of this, it is also important to stress that the Programme that we will be debating is not a new programme but rather the continuation of the policies set in the Strategic Development Plan 2011-2030, which began with the Programme of the Fifth Government.

We are not concerned with time, because the development vision we have to implement goes beyond the next two and a half years and beyond the next five or ten years of the next legislatures. Instead, it is a long term vision, based on the Strategic Development Plan.

In fact, it could not have been any other way! The vision for Timor-Leste does not belong to this or to any other Government, it belongs to the Timorese people! Our national vision is the result of a broad consultation that encompassed the entire territory, listening to the needs and aspirations of the Timorese, as well as to their concerns and their ambitions.

Considering the actual circumstances of the country and the varied and pressing challenges and needs faced by our people, we must implement measures and actions that will have sequence over the next few years until we accomplish the goals set for 2030.

As such, the question put when reviewing the Programme of the Sixth Government is not what will be implemented, but rather how it will be implemented. The priorities for the country have already been determined; what we now need to decide is how to implement those priorities in an efficient and effective manner.

The members of this executive have carried out a sector by sector review of the commitments made in the Programme of the Sixth Government. They have identified the current situation and considered what has already been implemented, what will be implemented by 2017 and the

things that, while not fully achievable by 2017, we can at least create a foundation for achievement in terms of design and implementation in order to continue the work into the future.

As Prime Minister, I have been visiting several State institutions, departments and agencies, including schools, hospitals and health centres, in order to try and see for myself the actual situation of the country. This will enable a better diagnosis by the Government, so as to find the broad solutions in order to meet the challenges faced by the country.

The key issue is not the content of the programme, which is a continuation of the previous programme, but rather the manner in which it is to be implemented that is more results orientated.

Your Excellency the Speaker of Parliament

Your Excellencies the Deputy-Speakers of Parliament

Your Excellencies the Members of Parliament

This Government is committed to improving service delivery. As such, we will focus on:

- (1) **Improving the quality of public works:** because an integrated infrastructure plan will only result in competitive advantages if the works are of good quality and if they are proportional to the value of the investment. This means requiring strictness, professionalism, planning, verification and cost control – in relation to materials, human resources and the companies engaged.
- (2) **Reforming public administration:** because, when they are sworn-in, civil servants swear to obey the Constitution and the Law and to work with honesty and professionalism, so as to safeguard the interests of the Nation. As such, we will be requiring civil servants to be fully accountable for their actions and we will conduct performance evaluations so as to guarantee merit-based promotions. Additionally, we will thoroughly assess the needs of public administration in terms of recruitment, accountability for services provided and strictness when managing public assets, in order to prevent waste. We will also combat the bureaucratisation culture.
- (3) **Harmonising and standardising laws:** because we need to accelerate the development of a standardised and harmonised Timorese legal order with which the Timorese citizens can identify, while also creating measures to make the legal system bilingual, promote access to justice and give legal security and certainty to potential investors.
- (4) **Undertaking tax reform:** because we need to improve the tax balance by way of a tax system that collects greater domestic revenue, while maintaining a competitive tax regime that is able to attract investment.

In order to achieve these goals, the very organic structure of the Government has been streamlined to enable greater coordination of government activities. As such, I would like to stress the following:

- (1) The Government programme does not have a new political agenda. It was drafted within a context of continuity, while enabling reassessments and readjustments to ongoing projects. This results in a programme that is more adequate to the remainder of the mandate and that is also an important link to sustainable long term policies.
- (2) It is a programme that covers several sectors, which is why it is vital to have good coordination between the various line ministries and/or State agencies. For instance, our goal of “Protecting Children and Young People” requires active intervention by the Minister of State and the Coordinating Minister of Social Affairs who will create the Committee on the Rights of the Child; through the Ministry of Social Solidarity, with welfare measures directed to children and young people; by the Ministry of Justice, through an adaptation of the legal framework; by the Ministry of the Interior, to prevent abuses against minors; by the Secretary of State for Employment Policy and Vocational Training, so as to combat child labour; and of course by other relevant Ministries, within a broader framework that promotes health, education, professional training, culture and, particularly for our young people, employment. The programme must be read, interpreted and implemented in a cross-disciplinary manner, since it is not one project or one ministry, working by itself, that will enable us to meet our goals. Instead, it is necessary that all projects and all ministries work as one.
- (3) It is a programme that seeks **good governance** in every aspect of the executive’s action, including outcome-centred planning, correction of systems and mechanisms, and transparency, and responsibility and accountability when implementing programmes. We will be the first enemies of our own development if we do not address the plight of corruption in a serious manner! Each one of us needs to have the courage, particularly those who hold public offices, not to look for easy ways out, not to be tempted by corruption or perks and not to compromise meritocracy in order to safeguard individual interests.
- (4) It is a programme that is **centred on the people and that relies on the people**. Civil society organisations, the press, the private sector, the churches and the citizens in general are fundamental strategic partners of development. They are the auditors of the work done by the Government and their active and responsible participation is a national symbol of life in democracy.
- (5) Lastly, it is a programme that seeks **inclusiveness and the fight against inequality**, by creating opportunities for all Timorese citizens, regardless of whether they live in the capital or in remote areas, whether they are men or women, or whether they are young or old. The gender-integrated approach in all government agencies is already a reality in Timor-Leste. We want to continue nurturing the role of women in our society, both because it is a duty of the State and because making use of the skills and abilities of women in the political, economic and social arenas of the country is truly a need and an advantage for our development.

Your Excellency the Speaker of Parliament

Your Excellencies the Deputy-Speakers of Parliament

Your Excellencies the Members of Parliament

In view of the above, I want to reiterate that this Government's political agenda will continue, albeit with a new dynamic, the four pillars of national development:

1. Social Sector

A just and developed Nation is a Nation that invests in social capital, which includes promoting access to health, education, professional training, information, social justice and culture, as well as managing and protecting our environmental resources in a sustainable manner, so as to ensure quality of living in the present and to protect the needs of future generations.

The Government will continue ensuring access to **health services** and to improve medical attendance, as well as to regulate the national health system and to strengthen infrastructure and qualified human resources. This entails more training, better management and better working conditions for health professionals. In 2014, we had 1,754 new scholarships recipients studying in specialised or technical areas of health which are also going to support the objective of improving this sector.

We will continue implementing community service models and domiciliary services that reach everyone and will deliver a set of services to the sucos with between 1,500 and 2,000 people in remote areas, considering that in 2014 we already achieved 50% of this target. We will also manage better the provision of medication, we prevent and combat malnutrition and strengthen vaccination programmes (with the target to achieve until 2017 90% of the children with less than one year old to have vaccinations of pentavalente 3 and for measles). With an incidence of < 1 case per 1,000 of the population Timor-Leste achieved the MDG for combating malaria and also reduced the maternal mortality from 557/100,000 in 2012 to 270/100,000 in 2014. We will continue to giving priority to improve infant and child health as well as mental health, focussing also on better education and awareness as a form of prevention, primarily with contagious diseases.

We will continue rehabilitating Hospitals, Health Centres and Health Clinics in order to have at least one Clinic in every suco, at the moment we have 272 clinics after building 79 new clinics since 2012. At the moment 50% of sucos with a population of more than 2,000 have at least one doctor, one nurse and one midwife residing locally and the target to 2017 is to achieve 100%. We will also expand the National Hospital with a new paediatrics service and enable specialised services such as oncology, cardiology and haemodialysis in order to reduce the need for medical treatment abroad.

The Government will continue to strive to ensure that all children and young people have access to **quality education**. This implies accelerating the introduction of education policies,

including school and academic curricula, as well as strengthening administrative and financial management, institutional coordination and qualified and competent human resources.

We will continue to construct and equip approximately 250 new pre-schools and to refurbish every degraded classroom, which is going to allow that at least half the children between 3 and 5 years old have access to pre-school and we are going to continue to rehabilitate schools in basic and secondary schools throughout the country. We will continue providing teachers with the opportunities to improve their skills and to receive continuous training, while requiring them to be professional and committed.

The quality of teaching and learning, also in the domain of the Portuguese language, will be nurtured with pedagogic and scientific methodologies that are results orientated with the support of the right school materials. We will continue increasing the capacity of secondary schools and developing strategically the technical and vocational schools, so as to provide pathways into higher education or the labour market more related to the needs of the productive sectors of the country.

The Government will continue promoting an effective polytechnic and university sector, ensuring academic assessment and accreditation, the continuous training of teachers and professors, the development of partnerships with higher education establishments, the planning of three new Polytechnic Higher Education Institutes – Engineering in Suai, Service Industries in Lospalos and Agriculture in Same – and one Academy of Fisheries and Maritime Studies in Manatuto, and the Faculty of Engineering of the National University of Timor-Leste in Hera.

Within the scope of **professional training and employment**, we will continue focussing on the Technical and Professional Training and Education Plan, investing in the qualification of young people in strategic areas in the industries of oil and gas, tourism and hospitality, agriculture, construction and automobiles, as well as in the maritime industry. We will continue the National Training Commitment, so as to have an average of 2,500 accredited and funded training positions every year, and we will continue with the professional traineeship programme. This year we will send more than 250 workers to Korea and Australia under the policy of creating jobs in other countries. Additionally, we will continue investing in order to train trainers, develop training facilities and materials and create a new Public Finance Management Training Centre.

Social justice will continue to be vital for this Government programme. **Welfare protection** to the most vulnerable, including mothers, widows, the elderly, the disabled, children and our veterans, honours our ideals of freedom and will continue to be supported through allowances and in-kind transfers. We will also continue to work to adapt and expand the current transitional welfare scheme in order to make it a permanent, mandatory and contributory scheme that is sustainable and provides welfare to every worker and their dependants.

Dignifying, honouring and supporting the **Combatants of the National Liberation** continue to be priorities for the State. By 2017, we will establish a National Council for the Combatants of the National Liberation which will allow for the organisation of the Veterans Councils in every Municipality and we will continue awarding scholarships to the children of Veterans and

Martyrs. We will also focus on preserving and promoting the History of National Liberation, in a year when we are celebrating our FALINTIL heroes' 40th anniversary!

We will also support welfare agencies and create Welfare Attendance Services, by investing in the training of future welfare officers. The Government continues to make it a priority to ensure rights and opportunities for **women** and will promote a Zero Tolerance Policy to violence against women and girls.

The **media** and the strengthening of our **national identity** are vital for developing our social capital. As such, we will continue developing the diversity and independence of media organisations and promoting access to information and civic education. We will also valorise the Timorese legacy and culture, through the process of establishment of cultural institutions – the National Library, the Museum and Cultural Centre and the Academy for Cultural Creative Arts and Industries.

2. Infrastructure Sector

There is already a programme for investing in integrated basic infrastructures, which we want to implement with greater accuracy and sustainability. Roads, bridges, ports, airports, public buildings, telecommunications and connectivity are cornerstones of economic growth and diversification.

We will also continue implementing the National **Road** Improvement Programme, particularly for the country's most vital connections. By the end of its mandate, the Government will improve the following roads:

- Dili – Manatuto – Baucau
- Baucau – Lospalos (including Lautém – Com), and Baucau – Viqueque
- Maubara – Carimbala, Loes – Mota Ain and Gleno – Ermera
- Manatuto– Laclubar
- Dili – Liquiçá, Tibar – Gleno and Carimbala – Loes. These road tracts also cover Tasi Tolu – Tibar, Maubara – Carimbala and Gleno – Ermera.

We will also rehabilitate the main roads, including the roads in the Special Administrative Region of Oecusse Ambeno and in Ataúro, and we will start the construction of the Dili – Aileu – Maubisse – Aituto – Ainaro – Cassa road project. We will also implement the Rural Road Master Plan and we will establish a programme for rehabilitating and maintaining national, urban and rural roads. We intend to maintain 1,426 km of national and municipal roads, rehabilitate 268 km of rural roads and maintain 521 km of already rehabilitated rural roads.

The Government will continue investing in the management of drinking water resources, water supply services and **basic sanitation**. From 2015 to 2017 we will be implementing at least 125 water systems in order to improve access to water in rural households. We will also restore urban water and sanitation infrastructures, including the construction of sewerage systems,

wastewater treatment facilities and final destination of urban solid waste. This will be achieved until 2017 by way of:

- Developing a Master Plan for Municipal Centres, namely Baucau, Viqueque, Lospalos and Same.
- Developing solutions for water supply in Suai.
- Implementing Water Master Plans in Manatuto and Oecusse.
- Repairing bores, rehabilitating damaged pipes and connections, as well as consolidating new water sources and constructing reservoirs and treatment plants.
- Connecting households to piped water supply.

In Dili, we will implement the Master Plan on Sanitation and Drainage, so as to achieve staged improvements in terms of sanitation, to rehabilitate drainage and to separate drainage of wastewater and rainwater.

Renewable energies and full rural electrification will be the two pillars of our electricity agenda. As such, we will review the ongoing programme and study it from a cost-benefit perspective. We will also invest in solar and wind power, particularly in remote areas, with studies of a proposal to install facilities for wind and solar energy that are cheaper and easier to install and that are environmentally friendly.

The development of **sea ports** facilitating the importing and exporting of goods continue to be a priority, with the planned construction of a national multipurpose port in Tibar which will start in 2015 and the construction of a port in Suai, that is currently in the last phase of the tender process, so as to establish a logistics base for the petroleum sector. By the end of 2017 we will have finalised the pre-construction processes for the development of ports between Laga and Lautem, Ataúro, Kairabela and Manatuto. We will also invest in the development of agencies and **land transportation** infrastructure, giving priority to improving road traffic and safety, and in **air transportation**, by expanding and modernising the International Airport and starting studies to assess the feasibility of municipal airports in 2016.

Telecommunications are vital for business growth and better service delivery. Consequently we will work towards the project to connect Timor-Leste to a national and international network through land and underwater optic fibre.

3. Economic Sector

Sustainability and economic diversification are vital to Timor-Leste's current stage of development. We cannot continue being so dependant from oil revenues, particularly when this resource is limited and when the price of oil has been dropping, leaving economies such as ours extremely vulnerable.

Intelligent investment in economic sectors such as agriculture, fisheries, tourism, small industries and the petrochemical industry is vital and generates employment.

We will focus more seriously on a strong **agricultural sector**, with improved agricultural practises, use of new production and harvesting technologies, training in the application of proper technologies and better guidance to farmers in view of local circumstances. In this strategy, it is pressing to ensure the provisioning of water for agriculture and to invest in irrigation. As such, we want to improve the production of rice and maize, as well as coffee, vanilla, candlenut and coconut oil.

Seeds, fertilizers and sprayers, as well as equipment, will continue to be made available to farmers. Consistent training and support to agribusinesses and extension campaigns will have a broader scope. The inter-sectorial programme on **breeding cattle and small animals** in proper areas, by establishing cooperatives and promoting mixed farming, as well as basic animal health care through a new pilot programme of vaccination against brucellosis, will improve the country's nutritional security and generate income.

The Government will continue promoting the sustainable use of **marine resources**, seizing the potential of our coast line in order to acquire nutritional and economic benefits for each of the 11 coastal Municipalities. The National Aquaculture Development Strategy includes investment in the establishment of aquaculture of tilapia and other species with commercial and nutritional value, so as to ensure the provision of fish to the central areas of the country and to improve the protein in school meals.

The Government is revising the current commercial fishing licences in our territorial waters. We will also give more attention to patrolling and surveillance of our maritime coast, so as to protect our corals and fishing resources against illegal incursions into our sea.

The **tourism sector** can be an unlimited source of income if we know how to use our natural, landscape, cultural and historical wealth. Our tourism potential can benefit from the economic supremacy of Asia, which is seeking to new tourist destinations. This will require an inter-sectorial strategy that also covers human resources, infrastructure and promotional activities.

The project seeking to build a tourism and hospitality training centre in Dili, the drafting of the Tourism Master Plan focussing on the three main tourism areas – eastern, central and western – and international marketing, including the participation at the Milan 2015 World Expo, will boost this sector with strategic importance for economic development.

We will give more attention to the sector of **trade**, making available transit and storage warehouses and peeling machines throughout the country. The creation of **agribusinesses** will also be encourage by business training and capacity building, in cooperation with the Business Development Support Institute, by supporting market studies and developing strategies on marketing, training and technical assistance, and by developing technologies, products and funding.

Our economic growth is also sustained by the development of commercial policies, including the

management and organisation of municipal markets and the creation of facilities and conditions for programmes seeking to support the circulation of products inside and outside the country. The Forestry Management Plan and the National Bamboo Policy and Marketing Strategy will support our economic diversification strategy, while protecting our natural resources.

The Government will continue focussing on the **petroleum industry**, so that it provides a solid base for the structural transformation of the Timorese economy. In order to do this, we will continue training national staff to work in this sector – including in the areas of geology, chemical and petroleum engineering, petroleum finance and project management – and we will continue to develop the South Coast and maintain our steadfast commitment to transparency regarding petroleum sector revenues. We will also develop the mining industry, including the approval of the mining code, the transformation of the National Petroleum Authority into the National Petroleum and Mineral Authority, and the creation of the National Mining Company – TIMOR MINES.

In order to achieve sustainable development in the economic sector we will continue working in a **business and investment scenario** involving a diversified private sector. As such, we will continue to:

- Strengthen the Chamber of Commerce and Industry.
- Develop the single-stop counter – SERVE.
- Develop Public-Private Partnerships, linking funding with national and international know-how.
- Establish the National Development Bank and promote the National Commercial Bank of Timor-Leste, in order to provide micro, small and medium companies with access to credit, both in urban and rural areas.
- Support the development of the Special Zone of Social Market Economy of Oecusse Ambeno and Ataúro.
- Expand the Business Development Support Institute's Business Development Centres.
- Develop and regulate land property and promote the approval of the Land Law.

Finalmente, porque só seremos uma economia desenvolvida se combatermos as assimetrias e as desigualdades em todo o país, continuaremos a dar prioridade às **políticas de descentralização**. Até 2017, o Governo implementará a Política de Descentralização Administrativa e de Instituição do Poder Local, reorganizando a Administração Local e desconcentrando competências e serviços. Para tal, prevemos iniciar projectos-piloto de instalação da descentralização em Aileu, Liquiçá e Ermera.

4. Good Governance Sector

A sustainable tax policy and public expenditure that is coherent with our plans is vital for preventing waste and for achieving outcome-oriented goals. The economic diversification plans I have just mentioned can only be successful if we use State revenue, which mostly comes from the Petroleum Fund, in an efficient and transparent manner. The essential improvements in public service delivery demands a public sector that is sustainable and efficient and for this reason the civil service a courageous reform program which we are determined to execute.

The point throughout this entire speech is of the vital need for ensuring better service delivery is also related to the fact that our public sector is currently still the main driving force of economic growth. For this same reason, the civil service continues to require a reform plan to improve its ability to execute its tasks.

We will invest in better **strategic investment and planning** policies, with greater rationalisation of financial resources and feasibility studies, as well as a data survey enabling us to know the actual conditions of the country, including studies on poverty and the holding of the Census 2015. Also in terms of strategic investment, the Government will make contacts and conduct thorough studies in order to determine the possibility of presenting investment plans for the Petroleum Fund. We will also continue focussing on procurement processes that are transparent and rigorous and that evaluate and monitor physical projects, as well as admitting multiyear projects under special funds for investing in infrastructure and the capacity building of human resources in strategic sectors.

In order to facilitate a more active and responsible participation in the development process and for improving service delivery, we will start the “**e-Government**” initiative. This will be a platform linking the Government and the citizens, which will also enable the delivery of online services.

Good governance is also intrinsically linked with the promotion of peace and stability and the promotion of the Rule of Law. As such, we will continue giving maximum priority to key reforms introduced in the sector of **defence and security**. We will continue implementing the strategic plans in this sector, so as to ensure the professionalisation, integrity, capacity building and capacity of our Armed Forces and of our National Police Force.

A just and developed country is a country where **justice** and law are accessible and where there is a framework leading to a modern and progressive country and to a freer and more equalitarian society. We will continue improving the way in which our agencies operate, while strengthening the competences and skills of our personnel. We will also conduct, in the short term, a thorough assessment of the sector of justice and establish a new cooperation framework that is adequate to the needs of the country.

Lastly, the Government will continue promoting the fundamental interests of the Timorese people, safeguarding the independence, sovereignty and national integrity of our Nation. In view of the effects of globalisation and our highly strategic location, we can use diplomacy to ensure our security and to protect our natural resources.

As such, our **foreign policy** seeks to protect and to promote the fundamental interests of the Timorese people, adopting a policy of friendship and cooperation with every country in the world, particularly our neighbours and our development partners. We will strive to strengthen bilateral relations with our regional partners and to enhance the role played by Timor-Leste in regional and international organisations and structures.

The Government will continue committed to have Timor-Leste join ASEAN and to meet all its commitments as the country assuming the rotating presidency of the CPLP. We want to give this organisation a new dynamic, focussing on economic and business cooperation.

Still within the scope of foreign policy, one of our priorities is to ensure the delimitation of our maritime, land and air boundaries under international law. The Council for the Final Delimitation of Maritime Boundaries will do all that it can so that Timor-Leste may effectively enforce its sovereign powers within its national territory.

Lastly, we will start drafting the general foreign policy guidelines of Timor-Leste, which will serve as a transitional instrument until the drafting of the White Paper on Foreign Policy, to be completed by the end of this Government's mandate.

Your Excellency the Speaker of Parliament

Your Excellencies the Vice-Speakers of Parliament

Your Excellencies the Members of Parliament

Through its programme, the Sixth Constitutional Government urges everyone, without exception, to be involved and committed, so that together we may be part of our country's sustained and balanced development, for everyone and with everyone, building the present and the future of Timor-Leste.

Imbued by this spirit of duty, responsibility and union, each of us can and should contribute. Together, we can make a difference. This starts today with the constructive debate on the government program.

Our young nation has already achieved much progress, and I am certain that everyone here acknowledges this reality with pride and seriousness. However, there are still many challenges ahead and we must continue fighting for this cause of national development!

Thank you very much.

Dr Rui Maria de Araújo

24 March 2015

The true wealth of Timor-Leste is the strength of the Timorese People.

Strong People means a Strong Nation. As such, striving to improve health and education services and the quality of life of the Timorese People is central to building a fair and progressive society.



**SNAPSHOT OF THE SIXTH
CONSTITUTIONAL
GOVERNMENT MANDATE
[2015 - 2017]**

**SOCIAL
SECTOR**



Legislation in the Health Sector

We approved the organic structure of the Ministry of Health, of the Guido Valadares National Hospital and of the Eduardo Ximenes Regional Hospital (Baucau); the Statutes of the Autonomous Service for Medication and Health Equipment (SAMES I.P.) and the regulation for import, production, Commerce and consumption of Tobacco.

We reviewed the Neonatal and Child Health Strategy, the National Mental Health Strategy, the Health Promotion Strategy and the Manual for Development of Health Policies. We have also started reviewing the National Policy for Medication and the National Policy for Health Statistics.

Good governance in health

We have carried out 49 supervision activities and internal audits and 57 inspections of private clinics.

We have developed the Manuals for the Management of Health Assets and Standard Operating Procedures (SOPs) for Management of Healthcare Facilities and, through the Office for Health Ethics and Quality Control, reviewed the Survey forms regarding user satisfaction.

We have improved our planning instruments in a detailed way, with updates and monitoring of expenses per health Programme and budget-line.

This Programme was supported with over US 0.5 million dollars.

National “Health in the Family” Programme

We launched the National “Health in the Family” Programme which integrates

the Comprehensive Package for Primary Healthcare (PHC) and, since July 2015, we have carried out 177,147 visits to households/residences, where 213,717 families were visited by family health professionals, encompassing 1,022,417 beneficiaries in all of the national territory.

Programme in Maternal, Child and Reproductive Health and of Children < 5 years old

77,430 pregnant women (78%) benefitted from antenatal care during their first visit and 51,729 pregnant women (52%) during their fourth visit.

58,566 women (64.5%) benefitted from births assisted by a health professional.

46,243 mothers and newly-born (51%) received post-natal care during the first week after birth.

43,196 mothers and newly-born (46.5%) were seen within the first six weeks after birth.

71% of children less than one-year-old completed the vaccinations recommended in the Vaccination Plan.

National Immunisation Campaign

We carried out the National Immunisation Campaign against polio and measles, covering 501,394 children (95.9%), significantly improving the regular average coverage of measles to 73% and 75% against polio.

80% coverage for the Pentavalent vaccine, which translates to 101,048 vaccinated children of the feminine sex and 106,123 vaccinated children of the masculine sex.

30% coverage of the newly introduced vaccine against Hepatitis B, which vaccinated

6,550 babies of the feminine sex and 6,234 of the masculine sex.

44% coverage for IPV, encompassing 18,941 beneficiaries (9,270 of the feminine sex and 9,670 of the masculine sex).

82% coverage of the vaccine against tuberculosis (BCG), covering 34,376 children of the feminine sex and 35,715 of the masculine sex.

19% of TT coverage, with 59,567 pregnant women vaccinated.

US 2 million was spent in the National Vaccination Campaign Programme.

Nutrition Programme

In the Programme to fight malnutrition, for children under five years old:

30% of the children benefitted from regular monitoring of their growth, that is, of the 150,228 children registered with LÍCIO, 60,925 were regularly accompanied.

59% of the coverage with Vitamin A, encompassing close to 106,499 children between 6 and 59 months of age.

84,969 children (53%) benefitted from treatment against roundworm.

Infectious disease control

Under the Infectious Disease Control Programme and Global Fund in the Fight Against AIDS, Tuberculosis and Malaria:

5,545 voluntarily AIDS tests were carried out, with a total of 562 infected persons, 251 benefitted from Anti-Retro-Viral treatment (F: 124 and M:127).

4,297 patients (F: 1,932 and M: 2,365) were treated for tuberculosis, representing 91% of identified cases.

60,196 people carried out clinical and

laboratory tests. 195,486 people benefitted from the Rapid Diagnostic Testing (RDT), registering 175 confirmed malaria cases during the last two years.

202 cases of leprosy were identified and 30% of successful treatment.

More than US 18 million was spent on these programmes.

National Programme Against Malaria

We have moved into the phase of eradicating malaria after being able to control this disease. Throughout the years, the number of malaria cases has reduced drastically. In 2006 we registered close to 223,000 cases, the number of cases in 2016 has been reduced to 95. The number of deaths related to this disease decreased from 58 to 0 cases over the same time period. We are therefore initiating the National Strategic Plan to Eliminate Malaria 2017-2021.

Combating neglected diseases

The programme to combat neglected diseases achieved coverage of 66.65%, or in other words, benefitted 777,100 persons, and the National Campaign for Mass Administration of Medication for integrated combat of roundworm and filariasis is currently underway.

Mental Health

The Mental Health programme, which includes the treatment of patients that suffer from mental and epileptic diseases at the community and hospital level, treated 2,021 patients with mental health symptoms (including 3 new cases) and 1,453 patients with epilepsy (11 newly diagnosed cases).

Control of non-communicable diseases

The Programme for control of non-communicable diseases allows for health professionals to perform screening of the main chronic diseases and also early detection of risk factors for non-communicable diseases caused by the use of tobacco, alcohol, physical inactivity and a non-healthy diet.

Therefore: 9,083 patients benefited from the screening of non-communicable diseases in Hospitals and Health Centres, where 4,022 had hypertension problems; 2,413 had bronchial asthma; 2,085 patients had chronic respiratory failure; 559 had cardiovascular problems; and 4 patients had cancer.

We extended specialised medical treatment abroad for 41 cancer patients, 42 patients suffering from cardiovascular disease, 30 patients with reduced kidney function, 15 under treatment for tumours and 4 patients whom benefited from neurosurgery.

We published the National Strategy to Control Non-Communicable Diseases, we defined the performance indicators of the Programme and approved legislation to Control Tobacco.

Secondary and tertiary healthcare

We registered 201,630 people that attended out-patient visits to the Hospitals (OPD), representing two OPD visits per year on average. We had an average of 28,594 patients that benefited from in-patient treatment.

We collected data that points to an average length of stay (ALOS) of 6 days per patient hospitalisation, with an average mortality rate under a medical emergency of 20 per 1,000 patients (NDR) and a gross average mortality rate of 37 per 1,000 patients (GDR).

We are also planning to develop a Policy for Attention to Secondary and Tertiary Healthcare, to ensure continuous access to and quality of health at all levels.

We have spent close to US 19.8 million on secondary and tertiary healthcare.

Patient transfers

438 patients benefited from specialised medical attention abroad. Most of the medical transfers abroad were due to cardiovascular diseases, cancer and reduced kidney function, for which close to US 9.7 million was disbursed.

Cuban Medical Brigade

The cooperation protocol in the health sector, through the Cuban Medical Brigade (CMB) has contributed to healthcare provision and medical on-going and academic training. We currently have 157 members on the CMB in our national territory.

Thus, on an annual average, 636,215 persons have been served and 2,349 major surgeries have been carried out; 4,935 minor surgeries; 3,419 deliveries attended; 45,461 laboratory tests; 30,801 imaging exams (X-Rays); 971 pathology exams; and 350 endoscopies.

Development of Human Resources in Health

The on-going academic training activities are supported by the Human Capital Development Fund, and we have carried out 1,613 on-going training activities for health professionals, benefiting 208 doctors, 165 nurses, 157 midwives and 120 technicians. 1,423 students benefited from academic scholarships in medicine and health science.

Management of Health Transportation

Through the health transport management programme, 7,166 patients benefited from internal transfers between municipalities and medical emergency to hospitals.

We installed a GPS tracking system in 17 ambulances; we acquired 12 new multifunctional vehicles for substitution and support to Health Centres in the municipalities and we established a mini workshop at the NHI and Ambulance Centre to facilitate general inspections and preventive maintenance on the ambulances and multifunctional vehicles.

Health Infrastructure

We built 57 new health posts in the Sucos: 4 in Aileu; 5 in Metinaro; 3 in Bobonaro; 4 in Covalima; 8 in Ermera; 8 in Lautem 3 in Liquiça; 7 in Manatuto; 5 in Manufahi and 10 in Viqueque.

We rehabilitated 22 Health Centres (out of a total of 68 Health Centres) in the following municipalities: 1 in Aileu; 3 in Ainaro; 5 in Baucau; 4 in Bobonaro; 1 in Covalima; 2 in Ermera; 4 in Manatuto; and 2 in Manufahi.

We built 40 residences for health professionals: 6 in Aileu; 2 in Ainaro; 6 in Baucau; 3 in Bobonaro; 2 in Covalima; 2 in Dili; 2 in Ermera; 6 in Lautem; 3 in Liquiça; 3 in Manatuto; 1 in Manufahi and 4 in Viqueque. We have also constructed 3 warehouses for materials and health consumables in the municipalities of Ainaro, Bobonaro and Viqueque.

We inaugurated the Eduardo Ximenes Regional Hospital, in Baucau, which will serve the Baucau Municipality and neighbouring Municipalities of Viqueque, Manatuto and Lautem, which currently has 227 staff, including 25 doctors

and specialists, 98 nurses and 22 midwives. 13 Health Units (1 in each Municipality), 5 hospitals and 3 Health Centres have access to the fixed Internet network, while the remaining 65 health centres use 3G.

Other health statistics

20% of Schools (125 schools) were visited by health staff at least once a month and 68 health centres implement monitoring activities in the communities.

60% of the people aged 60 and above were visited at least once by a health professional. 7,730 elderly people were attended by ambulatory, emergency and hospitalisation services (the 2010 Census registered a total of 57,791 elderly people in the country).

94% of the families registered on the “dispensarization” activity; 56% implementation of the SISCa Programme.

89.4% of the Health Units perform regular updates regarding essential medication consumption and only 11% over these registered stock failure.

Educational infrastructure

We built 15 new preschools, rehabilitated 518 elementary schools and 30 secondary schools. We have drafted the designs and Bill of Quantity (BoQ) for the rehabilitation of 15 preschools (EPE), 366 elementary school (EB), 8 secondary schools (ESG) and 2 vocational training secondary schools (ESTV) and for the construction of 25 new preschools and 9 ESTV schools. We have executed US 27 million dollar budget for this activity, which has benefited approximately 120,000 students in all of the national territory.

Statistics in education

As a result of the implementation of educational policies, the rates of access to education, school dropouts and the number of students per teacher have had positive progress.

In preschool education, the net access rate evolved from 13% to 15% in the last 3 years and the student/teacher ratio reduced positively from 72 to 22 students/teacher.

In Primary Education, the net access rate changed from 90% to an average 88% in the last 3 years, a possible indication that children between 6 and 15 years old are correctly enrolled regarding their age group; the rate for dropouts is 2.66% in 2015, with parity of access; the ratio of students per teacher reduced positively from 36 to 28 students/teacher.

The secondary education presents an improvement in its access net rate, having increased from 26% to 32% in the last three years; Drop out rate is 2.66% in 2015 with parity in axis; the ratio of students/teacher reduced positively from 28 to 25 students/teacher.

School furniture

We distributed 98,488 sets of chairs and tables, benefiting the same number of students throughout the primary and secondary education in the whole territory (94,068 units for primary education, 4,150 for secondary education and 270 for vocational education), having spent a budget of US 500,000.

Teachers' on-going training

With a budget of US 5.9 million, we allowed for

the on-going training of 10,760 teachers from the Teacher Professional Career of the EPE, EB, ESG and ESTV, regarding the new curricular contents, during non-teaching periods.

We carried out training in Portuguese language, level A1, to 2,122 teachers of all educational levels.

Close to 950 teachers from the 13 municipalities received training in Natural Sciences and Mathematics for the lower Secondary Education.

More than 980 teachers, in 36 administrative posts, had training in the Tetum language.

We provided training in the English language for 34 teachers (Ainaro and Manufahi).

We carried out training in inclusive education for 60 teachers (Dili, Lautém and Aileu).

Implementation of the new national curriculum

By executing a US 6.7 million budget, we drafted and distributed the class plans for the new primary and second stage basic education, in the official languages.

We have covered 136 primary schools in 5 municipalities (Liquiça, Manatuto, Aileu, Viqueque and Dili) in the "mentoring" Programme to support implementation of the new primary and second stage basic education curriculum.

We benefited 234,546 students from the EPE and the primary and second stage cycles of EB.

Multilingual education pilot project

We have implemented the multilingual education pilot project in 5 preschools and 5 primary schools in the municipalities of Manatuto, Lautem and Oe-Cusse Ambeno, covering 1,363 students.

We have carried out training activities for 51 teachers of these 3 municipalities, as well as the “EMBLI Endline Evaluation Study”.

Teaching materials

We have printed and distributed 957,179 manuals and teaching materials to the different educational levels, benefiting 368,594 students.

Educational media

We have produced 52 educational media programmes for weekly broadcast in the RTTL, fulfilling the memorandum signed with RTTL in 2015.

Secondary Vocational Education

We have reinforced the Secondary Vocational Education by implementing the expansion Programme in 21 secondary schools targeted for phased conversion, benefiting 3,477 students.

We concluded the implementation of the new ESTV curriculum, and carried out professional aptitude tests for the 12th grade finalists, covering a total of 13,762 public and private ESTV students.

We have created cooperative schools in the municipalities of Díli, Viqueque and Suai.

Implementation of the Recurrent Education Programs

In the Recurrent Education Sector, we have carried out research on the results of the Literacy Programme “Yes, I can”.

For two years we had 4,032 participants in the Literacy Programme.

We finalised the National Equivalence Programme for Basic Education Curriculum.

We delivered certificates to 106 students that took part in the Basic Education Equivalence Programme, which had 914 participants.

Opened 3 new Community Learning Centres, in the municipalities of Manatuto, Aileu and Díli, to implement the National Basic Education Equivalence Programme.

Development of the higher or university education

We have re-evaluated 10 parallel classes of the Higher or University Education under status of probation, and 3 have already been licensed.

We have defined the mechanisms to legalise diplomas in postgraduate courses delivered by foreign universities.

We have delivered US 1.7 million in subsidies to 10 Accredited Institutions in the Private Higher Education sector, with the objective to support academic training for teachers, carry out research, Portuguese language courses to teachers and students and also to distribute incentives to students with the best Academic results.

We have covered 58,476 students from public and private higher education institutions.

Expansion of the technical higher education

We have established the Betano Polytechnic Institute (created the Establishing Commission, identified human and material resource needs and finalised the drafting of the course curriculums), allowing for the participation of 260 students.

We have delivered 28 scholarships for the training of the future Polytechnic teachers.

Scholarships

We continue to fund scholarships for 592 students studying abroad. We have delivered 194 new scholarships, 161 subsidies to veterans' children and 1,372 subsidies to students, benefiting a total of 786 scholarship holders and 1,533 students with subsidies.

School meals and grants

With an allocated budget of US 36 million, we distributed school meals in 1,505 public, private and catholic schools, benefiting 314,788 EPE and EB students. We introduced the School Meal Pilot Project (ready-made food) in Ermera and carried out school grant transfers to all public and private EPE, EB and ES, covering 368,584 students.

School Training and Learning Centres

We implemented activities of the 13 School Training and Learning Centres (CAFE) with the support of 129 Portuguese teachers and 105 Timorese teachers, covering 6,632 students and 100 young graduates, supported by a US 12.6 million budget.

Accreditation and Evaluation of educational establishments

We concluded the first preschool accreditation process: 299 accredited preschools; 3 preschools with conditional accreditation; 1 preschool with suspended accreditation, which covers 17,670 students in Preschool Education.

Re-accreditation of Higher Education Institutions

We have re-accredited eight (8) higher education institutions in Díli and Baucau:

UNTL; UNPAZ; IOB; DIT; ICR; IPDC; ISC and ICFP. There is a total 58,476 students in public and private higher education institutions.

Higher education courses

We have evaluated and registered 79 new undergraduate and bachelor degree courses in 7 institutions: UNTL; UNPAZ; IOB; UNITAL; DIT; ISC and ETCI. These are registered courses belonging to the following areas: agriculture, law, social sciences, economy and management, education, engineering, medicine, philosophy, exact sciences, natural resources, business and tourism.

We have upgraded 6 undergraduate courses to bachelor degrees, from ETCI (for agroforestry, agronomy, agribusiness and post harvest), IPDC (in information technology) and ICFP (training of trainers).

Institutional licensing

We have evaluated and delivered licenses to 4 institutions in Díli and Aileu: ISFIT (Fatumeta), IFFS (Dom Bosco, Díli), Aileu Institute of Technology (ASTI) and the National Health Institute (INS).

Programmatic accreditation

We have implemented the process for programmatic evaluation and accreditation of 11 higher education courses and 11 education institutions. We produced and finalised the manual and instrument for evaluation, which was approved by the Directive Counsel of the ANAAA (Portuguese Acronym).

We are working so that in 2017 we can carry out the programmatic evaluation and accreditation of 54 undergraduate and bachelor degree courses (education, economy

and engineering) and 9 higher education institutions.

HUMAN CAPITAL DEVELOPMENT FUND

Scholarships - FDCH

We have distributed 2,383 scholarships (continuation scholarships) to civil servants and members of the general public (M: 1,119 and F: 1,264) for the levels of undergraduate (672 scholarship holders), Bachelor degree (1,417 scholarship holders), Masters (213 scholarship holders) and specialists and doctorates (81 scholarship holders) in the areas of health, computing, administration and finance, accounting, engineering, law, aeroplane pilot, public policy, and tourism, among others. From the total, 640 scholarship students concluded their studies (M: 302 and F: 338), 490 new scholarships were distributed (M: 151 and F: 339) and 171 scholarships students are civil servants. It is important to note that the scholarship students from MoH and MoF are recruited from the public but after concluding their courses, they are admitted to work in these ministries. For this component, we have disbursed more than US 43 million.

Professional training - FDCH

We have financed professional training in areas such as Korean language, agriculture, masonry, foundation building, electricity, mechanics, agriculture, brick-laying, construction, refrigeration, bakery, carpentry, welding, plumbing, sewing, brick fabrication, painting, hospitality, procurement, handicraft, customer service, audits, lawyers, judiciary, magistrates and

public defenders, registrars and notaries, administration and logistics, to 10,811 public servants in State institutions and the public in general (F: 2,107; M: 4,964 and 3,740 are represented by groups), having spent US 21.5 million. Of the total beneficiaries, close to 6,706 are from the general public.

Technical training - FDCH

More than 9,200 civil servants in State Institutions (F: 2,340 and M: 4,869 and N.D. 1,991) benefited from technical training in the areas of teachers' initial and continuous training, English and Portuguese languages, administration, induction, leadership, management, public building security, computing, media, among others. For this we have disbursed close to US 10.9 million.

Other types of training - FDCH

We have benefited 1,252 people (F: 467 and M: 785), between civil servants in State institutions and the general public, who took advantage of training offered in the areas of General administration, conflict management, and penal procedure code, among others, as well as study support and subsidies for finalists, all totalling more than US 6.2 million.

Evaluation of Programme Results from 2011-2014 - FDCH

In 2015, we carried out the Evaluation of Programme Results from 2011-2014, which focused on the training sessions concluded up to the end of 2014, namely professional training courses, technical training for civil servants, scholarships and other training activities developed within the several State

institutions, including the sectors of defence, security and justice, as well as the general public.

Mapping of human resources in the public sector - FDCH

We analysed and mapped the human resources in the public sector with the objective of supporting the FDCH to identify investment priorities and reinforce competence in areas of greater need, to provide for stable growth in State institutions.

FDCH 5 year report

In 2016 we prepared a five-year report (2011-2015), corresponding to the first phase of the Strategic Development Plan (Portuguese acronym: PED), with the objective of presenting the FDCH's main achievements, difficulties and challenges faced throughout these 5 years, as well as identify FDCH's contribution to the areas of the PED that are identified as a priority.

Human Resource Data collection - FDCH

We identified and analysed the existing human resources in the country and their distribution throughout the territory with the goal of contributing to better define Government policies in several areas related to human resources. We predict that the preliminary data may be presented at the end of July 2017.

Scholarship and training guides

We approved the scholarship and training guides to harmonise the criteria for delivery of scholarships and training in all institutions registered with the FDCH.

FDCH Website

We launched the FDCH website, www.fdch.gov.tl, to facilitate access, by the population, to information regarding FDCH activities, such as reports and studies, published bulletins, financed programmes, news, events, announcements, photos and videos, amongst other information.

Former Combatants for National Liberation

The Government continues to support our Combatants For National Liberation. Thus, the cash benefit payment Programme benefited 7,742 persons since 2015 and the pension payment an average of 25,507 persons per month. The total sum of this support was US 248 million.

Support to bereaved families and of Martyrs
With the assistance of a hearse, we supported 5,745 beneficiaries and 3,010 vulnerable families. We also supported the families of martyrs by identifying 145 mortal remains.

Garden of Heroes and other infrastructure

We carried out 13 ceremonies with funeral honours to Combatants and Veterans, at the Garden of Heroes in Metinaro.

We continue to undertake the maintenance of the Garden of Heroes in Metinaro, as well as the construction of the road, lighting, drainage system and the graves also at Liquiça. We have concluded the construction of the Lospalos Garden of Heroes and the second phase of the construction of the Ainaro Garden of Heroes.

Construction of monuments

We have completed the construction of the Luro monument in Lautem, and the monument of the 10th of June Event, in Díli. The monument in Aifu, Ermera, is in its final stage, planned for conclusion at the end of 2017, as well as the construction of the monument to our Heroes, in Ataúro. We have also started the first phase of construction of the monument in memory of the 12th of November Massacre, in Díli. US 695,000 were allocated to these project.

Scholarships for sons/daughters of martyrs and Combatants for National Liberation

We have distributed 472 (F: 216 and M: 256) scholarships worth a total of more than US 403,000, to sons/daughters of martyrs and combatants for national liberation that have passed away, attending Primary (17), 2nd Stage Basic Education (97), Secondary Education (111), University Education in Timor-Leste (228) and abroad (19). We also distributed payment for 130 school grounds up to a value of US 168,000 to sons/daughters of Combatants for National Liberation (F: 47 and M: 83).

General Social Security Scheme

We have approved the Law for the General Social Security Scheme, with a budget of over US 27 million dollars for 2017 and we have created the Social Security National Institute to manage and execute the Social Security System.

Non-contributory Social Security Scheme

We have distributed an average 313 old-age pensions; 5 pensions for disability and 530 survivor's pensions per year, where, to date,

more than 2,540 people have benefitted from more than US 3.5 million.

Subsidy to Support Elderly and Disabled Persons (SAII)

Through the distribution of the Subsidy to Support Elderly and Disabled Persons (SAII: Portuguese Acronym), we have supported an average 87,645 elderly persons per year and an average 7,590 disabled persons per year, having spent close to US 34.3 million annually.

“Bolsa da Mãe” Programme

Through the “Bolsa da Mãe” programme, a conditional support subsidy, we have benefited an average of more than 52,530 persons per year, distributing a monetary portion to eligible families, conditioned to its investment in the health and education of the children under their responsibility, and which totals an average of US 8.6 million per year.

Social Solidarity Centres (CSS)

We have concluded the construction of the buildings and warehouses for the Social Solidarity Centres (CSS; Portuguese acronym) in the municipalities of Covalima, Lautém and Manatuto and the first phase of the Viqueque CSS.

Social Attendance Service (SAS)

We have created social attendance services close to our communities, through the Social Solidarity Centres in the Municipalities. In 2015 we started with the municipality of Díli, in 2016 we extended to the municipality of Baucau and in 2017 we covered all of our national territory. We carried out 3,031 social attendances to vulnerable populations and/

or in a situation of economic deprivation and we did the social follow up to 377 families.

Support Programme to Social Solidarity Institutions

With this Programme we supported an average of 33 social solidarity institutions per year. These institutions provide support to children and youngsters, families, elderly persons, vulnerable women, citizens with disabilities, as well as in the area of social integration and community development, emergency support in cases of natural disasters, prevention and repair of situations of deprivation and dependence. This Programme has spent more than US 1.3 million per year.

Support to DV and GBV

We have given support to 518 women and 5 men victims of domestic violence (DV) and gender-based violence (GBV), sexual violence, abandonment and incest and we have protected women at risk. We have also carried out basic counselling training in 6 municipalities.

Children Protection Network

We have implemented the Children Protection Network in the administrative posts of the municipalities of Bobonaro, Ainaro, Covalima, Viqueque and the Special Administrative Region of Oe-Cusse Ambeno, benefiting 579 children (F: 214; M: 365).

Outreach Programme – rehabilitation programme

Through the rehabilitation, service provision and dissemination programme, we have contributed to improve the quality of life of disabled people, by delivering specialised and

integrated rehabilitation. We have received 2,082 persons, provided occupational and speech therapy treatment to 1,019 people and distributed 727 wheelchairs, prosthetics and hearing aids. In community-based rehabilitation, we have identified 938 persons and monitored 1,927 former users who have benefited from this treatment.

Social Cohesion

We have done more than 60 meetings, with a total 12,608 participants (F: 5,577; M: 7,031) where we promoted community safety, community dialogue and dialogue for peace and security at the Village level, dialogue in conflict situations regarding land sharing, land division and other social problems. We have also carried out 36 training sessions on conflict resolution to 995 (F: 222; M: 773) Community Leader representatives, Village Counsels and youngsters.

Food Aid Programme

We distributed a total of 97,000 bags of rice, equivalent to 3.8 tonnes, distributed by 12 social solidarity centres throughout the national territory and 25 kg to vulnerable families. This programme, which has been financed, to date, at more than US 1.2 million, is aimed at supporting victims in emergency situations due to natural disasters, individuals and families in socially vulnerable situations, schools and orphanages, having benefited close to 102,500 persons.

Support to victims of the natural disasters

We have delivered construction materials and subsidies for labour to around 4,170 heads of family, victims of natural disasters.

Humanitarian and emergency support

We have supplied procurement and materials for storage to the 12 social solidarity centres in all the municipalities.

We have trained 329 community leaders from five municipalities (Lautem, Baucau, Viqueque, Ermera and Manatuto) regarding procedures to follow before and after the occurrence of a natural disaster.

National Commission for Children's Rights

We have approved and launched the National Action Plan for Children and carried out its socialisation in the municipalities of Bobonaro, Lautem and RAEOA, with participation of a total 259 persons (W: 103 and M: 156).

We also carried out 2 awareness activities on the rights and duties of children, the Law for Juvenile Justice and the legal framework for parents, communities, local authorities and schools in 8 municipalities. In total, 1,490 (F: 882 and M: 608) people took part in the activities. In 2017 we accompanied and monitored the election campaigns to minimise the involvement of children and minors and protect them during this period.

National Commission to Combat HIV/AIDS

We have carried out campaigns and seminars on the prevention of HIV/AIDS transmission in nine municipalities, with the participation of 45,220 persons (F: 18,270 and M: 26,950). We have provided support to 30 (W: 13 and M: 17) patients of the Tibar Health Recovery House, providing adequate food, medications and other healthcare services. We have also supported 22 (F: 14 and M: 8)

HIV/AIDS-positive patients with transport and healthcare services.

We have carried out workshops for 240 health technicians (F: 149 and M: 91), in three municipalities, in order to deepen their knowledge regarding patient treatment. We have provided for meetings with the HIV/AIDS-positive patients from the Tibar Health Recovery House to socialise on stigmas and discrimination and encourage them to integrate with the community. At the same time, we carried out training in handicraft.

Economic empowerment of women

We carried out training sessions regarding finance, accounting and business management that benefited 550 people (F: 400 and M: 150). We promoted business start-ups amongst 26 groups led by women, covering 130 people (F: 117 and M: 13).

Public transfer funds to Women groups

We financed:

- 71 groups of businesswomen financed for economic development, with the support of around US 140,000 that benefited 840 people (F: 583 and M: 257);
- 5 NGOs that work in the area of Women's Economic Empowerment, with a support of around US 24,000 that benefited close to 350 women;
- 10 women's associations ("Feto Potensial Munisipiu") with a support of around US 97,000 that benefited 800 people (F: 650 and M: 150);
- 3 NGOs that work in the area of Women's participation in politics, with a support of around US 167,000 that benefited close to 1,025 people (F: 800 and M: 225);

- 2 NGOs that work in the area of prevention against gender-based violence, with a support of around US 13,000 that benefited close to 400 people (F: 300 and M: 100);

Prevention of domestic violence and gender-based violence

We carried out campaigns, training sessions, awareness on violence against women and gender-based violence, which covered 2,200 people (W: 1,360 and M: 840).

Maubisse Declaration

We have signed the Maubisse Declaration whose focus sets on equal opportunity for women regarding education and professional training, access to the working market and social and political life.

Díli Declaration

We have carried out the Fourth Meeting of the *CPLP* Ministers for Gender Equality and Empowerment of Women, where we signed the Díli Declaration and approved the *CPLP* Action Plan for Gender Equality and Empowerment of Women, for the 2016-2018 period.

National Action Plans on Gender

We approved the National Action Plan on Gender-Based Violence 2017-2021 (Portuguese acronym: PAN VBG) and the National Action Plan of the United Nations Security Council Resolution 1325 on Women, Peace And Security.

Awareness activities on gender

We carried out programmes and awareness activities on civic electoral education, gender equality, women's economic empowerment,

women's participation in politics at the local level and within community leadership, UN Resolution 1325, CEDAW report and the PAN VBG to more than 16,000 people at the national level.

“Parlamentu Foin Sa’e”

We have organised election campaigns in 430 Villages and elections in 65 administrative posts, where 130 new members (F: 65 and M: 65) were elected for the Foin Sa’e Parliament (PFN). We have facilitated a week of training on basic leadership, social analysis, youth rights, public debates and public speech in regards to the Human Rights Convention, to the members of the PFN, in all municipalities and the RAEOA. The creation of 5 commissions resulted from the plenary session of the PFN. We also established the creation of the National Secretariat of the Youth Parliament Network for the *CPLP*, with 6 members.

Youth Training

We have provided for training in leadership; organisational management; financial management; civic education; reproductive health; monitoring and evaluation; administration; information technology and communication (word, excel and Power Point) and in the English and Portuguese languages, to more than 5,022 youngsters (F: 2,200 and M: 2,822).

We have also supported 378 youngsters (F: 114 and M: 264) to develop initiatives in horticulture, livestock, aquaculture, cooperatives and carpentry, allowing them to obtain sufficient economic revenue in programmes that they carry out at the municipal level.

National Council for Youth Development

In May 2017 we approved the establishment of the National Council for Youth Development, fulfilling the Strategic Development Plan, which places Youth as a priority in the country's development. This diploma defines the responsibilities, structure and functioning of this advisory body, which will ensure coordination between the different public and private entities involved in this area. This Council's mission is to guarantee the preparation of policies and implementation of national action plans related to strategies approved in the National Youth Policy.

Regulating Commission for Martial Arts

Through the Regulating Commission for Martial Arts (Portuguese Acronym: CRAM), we have disseminated the Martial Arts Law at the national level, especially in secondary schools and universities, covering 2,552 students (F: 1,377 and M: 1,175). This dissemination will continue to be done through the media.

Youth Football Training Centre

We have supported 591 young athletes distributed through five municipalities (Díli, Baucau, Bobonaro, Covalima and Lautém). We have seen an increase of the number of players registered in the Amateur Football League (Portuguese acronym: LFA) where, after training completion, 75% of the youngsters signed contracts with the registered clubs. We have also established the Training Centre in 2 other municipalities (Ermera and Liquiça).

School, community and cultural sports

We have organised school sports in 100 secondary schools, at the national level, with over 5,200 student's participation, and community sport in all municipalities, in order to promote social interaction and fun within the communities, counting on the participation of 16,266 people (W: 9,237 and M: 7,029). We have also participated in the ASEAN University games with 32 athletes (F: 5 and M: 27), from where we brought 2 silver medals and 2 bronze medals in soccer and athletics home, and we organised the National Sports Festival with 782 participants in athletics, volleyball, basketball and soccer.

Soccer, volleyball and basketball leagues

We have registered an increase of 14 to 21 clubs that are in the Amateur Soccer League, eight of which are playing in the first division and the remaining 13 compete in the second division. In the National Volleyball League, we have registered 17 teams (10 female and 7 male teams) in the preliminary phase, with 10 clubs competing in the first division and 7 in the second division. The National Basketball League has 11 registered clubs, composed of 22 teams (11 Male and 11 Female teams), with a total 220 players (110 male and 110 female).

Mini-Orchestra clinic

We have provided for the acquisition of knowledge on the use of musical instruments to 25 youngsters. We have established the mini-orchestra with 5 violins, 2 xylophones, 3 trombones, 2 pianos, 2 oboes, 2 saxophones, 2 clarinets and 4 drum sets/drums.

During 3 months, 50 youngsters were trained as future musical instructors.

Information and Communication Technologies Camp

We carried out the Information and Communication Technologies camp (Portuguese acronym: TIC) in Liquiça, Aileu and Ainaro, where we also established a new Centre for Information Technology. We have carried out computer education training, graphic design and new technologies use for business creation. This Programme supports 8 municipalities with free internet and the production of the Foin Sa'e Newspaper.

Cultural Asset Survey

We have carried out data collection on cultural assets: Ai To'os (in Aileu, Manatuto and Ermera); Tais (in Manatuto, Bobonaro and Oe-Cusse Ambeno); Odamatan and the Theatre Group (in Oe-Cusse Ambeno), artisans and traditional music existent in the country. We have collected the data in a database and we will continue this collection in the remaining municipalities.

DOCTV and FICTV Programme

We have launched the *CPLP* Audio-visual Programme and carried out the DOCTV documentary and the FICTV fiction competition, for which 15 documentary proposals and 1 fiction proposal were delivered by Timorese producers and filmmakers.

Ratification of the UNESCO Conventions

We have ratified 3 Conventions: the Convention concerning the Protection of World Cultural and Natural Heritage (of

1972), the Convention for the Safeguarding of the intangible Cultural Heritage (2003), and the Convention on the Protection and Promotion of the Diversity of Cultural Expressions (of 2005).

Legislation in the Area of Culture

We have approved the Base Law for Libraries and the Law for Cultural Heritage, which will serve as a guide to the implementation of projects in libraries and cultural heritage.

Academy of Arts, Culture and Creative Industries

We have established the commission for the Academy of Arts, Culture And Creative Industries, with members representing the Ministry of Education, Secretary of State for Youth and Sport, Ministry for Tourism, Arts and Culture, Ministry of Commerce, Industry and Environment and the Secretary of State for Arts and Culture. We have also approved the Implementation Plan for the Academy, predicted to be open in 2018.

National Library

We have drafted the design for the preparation of the plot and landscape in the area surrounding the future National Library, in Hudilaran, with a current approval of US 1.5 million.

Historic investigation on the Resistance

We have carried out the historic data collection in the municipalities of Liquiça, Bobonaro, Aileu, Ermera, Same, Ainaro and Díli. This is a project to collect oral sources regarding the contemporary history of Timor-Leste,

to elevate the knowledge on shelters used during the Resistance period; of the objects in the AMRT (exhibition and reserved), which will allow the proximity to the object and visualisation of other related documents; of the different visions in the History of the Resistance Fight. We intend to explain, select, organize and produce narratives.

Underground Shelters of the Resistance

We have rehabilitated, reconstructed and maintained 10 underground shelters from the resistance, in the municipalities of Liquiça, Ermera, Ainaro, Bobonaro and Díli. Currently, the AMRT is preparing a map of these shelters, which will soon be open to the public.

Localities of the liberation struggle

We have identified 12 localities spread throughout the municipalities of Ermera (6), Bobonaro (1), Manatuto (1), Ainaro (1), Aileu (1), Díli (1) and Liquiça (1) and where important events of the fight for liberation took place, so as to better divulge our history and the Resistance's struggle. This activity contributes to the collection of memories of the people involved in the fight for Timor-Leste's Independence and information on the shelters used during that time.

Training and transfer of documents

Under the agreement signed between the AMRT and the Mário Soares Foundation, we have trained 4 staff on document treatment, digitalisation and classification, and we have transferred 251 document folders about the Resistance, from Lisbon to Díli.

International conferences and itinerary exhibitions

The AMRT, in order to collect the written and oral memory of those participating in the fight for freedom, carried out the second “*Vozes da Resistência*” International Conference, to collect testimonies to be compiled into a book yet to be launched, and the First International Conference on “National Memory and Identity”, to disseminate the history of the Resistance to our population and especially, to our youngsters. 2,350 people were present at the 2 events.

Permanent, temporary and itinerant exhibits

We carried out the itinerant exhibit “Independence of Timor-Leste is a Question of Time”, in the municipalities of Liquiça, Manatuto, Ermera, Bobonaro and Viqueque, during 13 editions; we did 8 temporary exhibit editions in the AMRT building, on Culture and the Timorese Resistance and kept the permanent exhibit “To Resist is to Win”.

We welcomed 2,606 people in the 125 guided visits to the permanent exhibit; 108 visits to the AMRT, of which 36 were schools (4,346 visiting students) and 72 institutions (3,375 people); and also 7,773 individual visitors, which allowed us to collect more than US 5,710 in revenue.

Socialisation on the Law for Media

We carried out socialization on the Law for Media, approved in 2014, to journalist organisations (2), media institutions (15), non-government organizations and in all government organizations. We also

distributed close to 100 books to State institutions, media and 19 community radios.

Press Council

We created the Press Council, which is an independent regulator of the Media sector, with a mediating mandate between the public and journalists and with disciplinary power over journalists, in accordance with its own regulations.

News Agency

We launched the ANTIL electronic portal, an embryo of the news agency, which in February 2017 became TATOLI, the Timor-Leste news agency, and that can be consulted through the website <http://www.tatoli.tl/>.

Dissemination of governing activities

We produced close to 60 “*Ita Nia Governu*” talk shows, 15 “Hare rasik” documentaries, 12 “Government Bulletins” and more that 400 publications disseminated through community radios.

Diversification of the Media

We supported the establishment of 19 community radio stations spread throughout the country and 4 private television channels in Díli. We created the Community Radio Council, of which the communities are a part of, so as to bring them closer to participate in the development of this communication media.

Journalist training

We have provided training for more that 70 journalists and editors in Indonesia and Portugal and for 40 journalists in Timor-Leste.

Timor-Leste Radio and Television, E.P.

We have financed RTTL, E.P. in order to reinforce management, human resources and business plan development, which contributed to an increase in the quality and quantity of the information, as well as approving the SOP (Standard Operating Procedures).

Environmental Legislation

We developed the relevant legislation in the environmental sector and biodiversity, specifically the Regulation for pollution control in air, noise and soil and atmospheric pollution of gases emitted by vehicles; Decree-Law for Biodiversity; we prepared accession to the Nagoya Protocol regarding Access Benefit Sharing; National Biodiversity Action Plan and Wildlife Protection Strategy; the National Action Plan for reduction of CFC emissions and we have been gradually implementing the Vienna Convention on Ozone Depleting Substances.

Project for Climate Change Adaptation

Under the UNFCCC international convention (United Nations Framework for Climate Change), each member-State must protect, conserve and preserve the environment, carrying out concrete actions to reduce greenhouse gas production, which cause damaging impacts to fauna, flora and human life. Thus, through US 65,000 of UNFCCC financing, we built 3 water tanks and 6.7 km of potable water pipes in the Liquiça, Manatuto and Baucau municipalities, allowing 1,818 families to access potable water.

This project has also financed reforestation and replanting of mangrove trees, to recover

4,000 m² of coastline in Ulmera – Liquiça, benefiting 40 families that worked in its implementation.

Production of clay stoves

We have distributed clay stoves to 289 families in Bobonaro, Suai and Díli, as an attempt to reduce the use of firewood.

Green School

We have implemented the “Green school” programme, which introduced the concept and practice of environmental sustainability in primary and secondary schools throughout the national territory, as an extracurricular activity.

We have carried out information dissemination activities in schools in 7 municipalities (Díli, Aileu, Covalima, Manatuto, Manufahi, Liquiça and Ermera), covering 450 students, on the importance of the involvement and training of students in practices such as re-greening, reuse of newspapers, garbage and plastic for the production of different handicraft products. We have also carried out extracurricular training activities in 9 municipalities, for 650 students and 70 teachers, regarding waste management, with the objective that these participants continue to implement this Programme in their respective schools.

Environment Preservation and Biodiversity Protection

We issued 93 environmental licenses for the three categories: category A (4 licences for major projects); category B (20 licenses for medium scale project) and category C (69 licenses for small scale projects).

We disseminated environmental laws in all the municipalities, covering 1,500 people; we implemented the “healthy village” contest, which included 442 villages and we contributed towards “tara bandu” activities, re-greening and green school. The objective is to reduce population-provoked erosion, and encourage the community’s participation in environmental protection and conservation activities.

In the “Healthy Village” contest, the criteria under evaluation were waste management; sanitation management; treatment of animals; sewage treatment the social and moral obligations to protect, conserve and preserve the environment. 4 villages qualified successfully and received prize money of US 2,750.

We have financed 44 re-greening projects (related with the Climate Change Adaptation Programme), supported by UNFCCC (United Nations Framework for Climate Change), covering 63.4 hectares dispersed throughout the 12 municipalities, with 21,125 new transplanted plants of 26 varieties. This project covered more than 434,800 indirect beneficiaries.

Paris Declaration

We signed the Paris Declaration on the Implementation of the Climate Change Convention, which sets to contain the increase in the planet’s temperature to a 2°C limit above the limits before industrialization, through a significant reduction of greenhouse gases.

In order to develop our nation, build a modern and productive economy and create jobs, we must build proper infrastructure. However, the scale and cost of our infrastructure needs are significant, which means that we must plan and implement our infrastructure program in an effective and targeted manner.

The Sixth Constitutional Government makes it a priority to demand professionalism, better planning, cost control and cost-efficiency.



**SNAPSHOT OF THE SIXTH
CONSTITUTIONAL
GOVERNMENT MANDATE
[2015 - 2017]**

**INFRASTRUCTURE
SECTOR**



Memorandum of understanding

We have established the basis for a Memorandum of Understanding with *CPLP* for the creation of an Engineering Laboratory in Timor-Leste.

Cooperation protocol in infrastructures

We have approved, in the Council of Ministers, for the signing of a cooperation protocol on public infrastructures works, urbanism and regional and urban development, between our Ministry of Public Works, Transport and Communication and the Ministry of Public Works and Urbanism of the Republic of Indonesia. This protocol updates the previous Memorandums of Understanding signed in 2011 and 2015, within the area of cooperation in Public Infrastructure Works.

Water Resources Policy and Law

We have begun to debate, in the Council of Ministers, the Water Resources Policy and Law, the Water Distribution Policy, while the Decree-Law on Wastewater is currently circulating for future consideration.

Water and Sanitation Master Plans

We have finalised the water and sanitation master plans for the capitals of Same, Baucau, Viqueque and Lospalos, with the objective of guaranteeing the population has access to potable water.

Transportation Master Plan

We have finalised the Transportation Master Plan that will be the basis for the investment and improvements planned for this sector. It awaits submission to the Council of Ministers.

Rural Roads Master Plan and Strategic Investment

We have finalised and approved the Rural Roads Master Plan and Strategic Investment, in the Council of Ministers, which will improve access and facilitate population movement, contributing to increased job creation and facilitate private investment in the inner regions of the country. We are also implementing the Rural Road Development Programme.

Construction Companies and Technical Construction Consultancy Services Certification

We have analysed and certified 217 companies (1 international) within our national territory. Of these, 195 received new certificates.

Quality of construction materials

We have assessed, supervised and monitored the quality of materials used in infrastructure construction.

Water distribution systems

We have developed and proceeded with the maintenance of the water supply systems throughout all our national territory. Currently, in the rural areas, 60% of households (111, 161) have access to a water system that functions completely or partially and where time to procure water is under 30 minutes. We have also trained close to 1,079 water management groups in the rural areas, where 34% are fully functional and 50% are partially functional. We have concluded and launched the rehabilitation and expansion project for

the water supply system in the municipal capital of Manatuto, which will supply the Sau, Ailili, Aiteas and Maabat villages with potable water, 24 hours a day. US 4.9 million was spent on this system, which will benefit 1,107 households.

The Operation and Maintenance proposal for Manatuto is under development, and it is hoped that we can advance with the international and national public tender in 2017, to support O&M in Manatuto. We are also finalising the PPP feasibility study for Operation and Maintenance of the water supply system in Díli.

We have launched the Master plans for the Water Supply Systems in the Baucau, Viqueque, Same and Lautem municipalities and we are in the final review stage of the Master plan for the Díli Water Supply System.

We are continuing to build a water supply system in Pante Macassar, Oe-cusse Ambeno, which is currently progressing at 67% and which will involve 2,400 households.

78% of the Municipal Capitals and the Special Administrative Region of Oe-cusse Ambeno have access to piped water, benefitting close to 85 thousand inhabitants.

In Díli we have installed a total of 344 new water supply connections and produced approximately 25,649.91 m³ of water. We have also managed to solve 1,688 complaints out of a total 4,175. The value for revenue received up to February is approximately US 344,150.

Water resource management

We have built 2 new hydrology stations in Pante Macassar and Passabe, in Oe-Cusse Ambeno, to collect rainfall data. The data can be used at the national level and for development of infrastructure at the municipal level.

We have carried out data collection for 3 new water sources in Bobonaro, located in Bebuá, Maudeko and Fatu-laran.

Sanitation

We have contributed to the improvement of access to sanitation facilities for 27% of the rural population, in all municipalities and the Special Administrative Region of Oe-Cusse Ambeno, benefitting close to 190,000 people.

We have developed an output-based aid pilot study for Manatuto (sanitation systems for the municipal centres). We are at this moment reviewing the document and developing the subsequent steps to follow.

We have carried out the data collection for resettlement in Caicoli, a slope channel and the Kuluhun River, under the Díli drainage process, covering more than 260 households.

Road construction and rehabilitation

There are 17 projects in road construction and rehabilitation, where 7 projects have been concluded. We have built 860 Km of national roads; 53 Km of municipal roads; 80 Km of urban roads, in Díli, Ainaro, Lospalos, Manatuto, Same and Aileu.

Maintenance and rehabilitation of rural roads

There are 34 projects, all on-going, for maintenance and rehabilitation of rural roads, of which 100 Km have been rehabilitated and have had maintenance carried out in 350 Km of the overall municipalities.

Flood control

Between retaining walls and gabions, we have built a total extension of 4,800m for flood control throughout our national territory.

Emergency projects from 2013 - Package B

Of the 105 emergency projects from 2013, 7 are concluded, 28 are on-going, 38 are within final payment and 31 are concluded but still on hold.

Construction and rehabilitation of the bridges

We have constructed eight bridges, where 2 construction/rehabilitation projects are under a final payment (Dilor and Baer Bridges), 2 are on hold (Taroman and Lawanan Ermera Bridges) and 4 others are on-going (Comoro 2 Arko Bridge, Villa Marai Hatulia Ermera, Fatuk Manaun Soibada and Waiono-Bocoli).

Roads and Bridges in RAEOA

We have started the supervision, maintenance and rehabilitation of 5 road and bridge projects in the Special Administrative Region of Oe-Cusse Ambeno.

Highways

We have started the construction of Phase 1 of the Suai highway (Suai-Zumalai), and which has physically progressed to 38%. The process for compensation of the landowners has been concluded, where an additional plot of land has been requested due to the geological conditions of the soil.

National Electrification Programme (NEP)

We have installed 1,063 km of medium voltage and 1,322 km of low voltage lines, benefiting 43,625 people.

We have regularized the electricity tariffs, bought 55,857 pre-paid electricity-metering units and installed 41,156 meters in all of the national territory. The revenue from electricity tariffs was more than US 58 million.

We have built the Special Administrative Region of Oe-Cusse Ambeno power plant, with 17 MW capacity which is already up and running.

We have implemented the National Electrification Programme (NEP) in all municipalities and in the Special Administrative Region of Oe-Cusse Ambeno, over US 96.5 million, reaching close to 83% of the population.

Transportation

We have started the rehabilitation of the Tasi-Tolu terminal to accommodate public transport from Dili, Ermera, Maliana and Liquiça, having already progressed close to 40% completion.

Airports

We have concluded the construction of the Suai airport, with its inauguration predicted for June 2017.

We have laid the first stone for the airport of the Special Administrative Region of Oe-Cusse Ambeno, currently progressing at 21% completion.

Fibre optics

We continue to advance with negotiations in order to achieve an agreement and bring to Timor-Leste the fibre optic cable connection that will guarantee high-speed Internet access to all citizens at a reasonable price.

Tibar Industrial Park

We have carried out the feasibility study for the Tibar Industrial Park, currently in its final phase. This project will guarantee the storage of the import/export goods as well as of local goods, to substitute imported products.

National Procurement Commission

The National Procurement Commission (NPC) has supported the ministries in their procurement process all over our National territory. A total of 408 procurement contracts were concluded, of the following types: International Competitive Bidding ICB (22), National Public Bidding (13), Expression of Interest (1), Request for Proposal (6), Request For Quotation (12), Restricted Bid (27) and Direct Award (327) which allowed for savings close to US 177 million.

National Development Agency

Through the National Development Agency (NDA), we have carried out due diligence to 1,144 proposals and 10 Terms Of Reference related to 445 projects financed by the Infrastructure Fund; 165 projects from the District Integrated Development Planning (DIDP) of which 3 were barriers/flood control, 3 were bridges and 5 were retaining walls), 49 were community installations and public buildings (4 for markets, 3 for agriculture and irrigation, 4 for drinking water, 40 for health posts and housing for medical staff, 54 were for schools); construction of 3,650 prefabricated houses from the Millennium Development Goals (MDG) – Village; 316 projects for Community Heritage Rehabilitation (KTI) of which 172 are schools, 134 are health related and 10 are other infrastructure; 89 Special Projects under NDA direct control; 106 State infrastructure projects; 13 projects from the Civil Society Support Unit and 2 projects from ZEESM. The due diligence of these proposals represented a savings of over US 91 million.

Inspection of projects

The NDA inspected 4,087 projects related to roads and bridges, buildings, irrigation systems, ports and airports, public buildings and flood protection in the 12 municipalities and in the Special Administrative Region of Oe-Cusse Ambeno, and recommended payment to 3,310 requests and issuance of the respective inspection reports.

Development of the technical standards for construction

We have launched the book *Timor-Leste – Methods for Standard Measurement*, which was distributed to companies, government agencies, civil society and international agencies and we have carried out training in three municipalities (Dili, Baucau and Bobonaro). NDA has seen improvements in BoQs (*Bill of Quantities*) drafted by the companies.

INFRASTRUCTURE FUND

The Infrastructure Fund (IF) was established in 2011 to promote the development of strategic infrastructure and enhance economic growth in Timor-Leste through the financing of roads, bridges, airports, maritime ports, electricity supply, water supply, education, health, tourism and other projects of greater dimension. Projects within this fund have budgets over US 1 million and have a significant impact in the country, particularly in human and social development.

Hence, the IF is used to implement large-scale, multi annual projects that represent an investment in vital infrastructure towards the improvement of the quality of life of our population, as well as creating better conditions in agricultural and industrial production, encouraging new job creation in strategic sectors. The establishment of the Fund and the project currently under implementation derived from the development vision within the Strategic Development Plan 2011-2030 and are equally aligned with the international development division that is now reflected

in the 2030 Agenda and the Sustainable Development Goals (SDG).

The programmes that are part of the IF encompass all the strategic sectors and are related with the priorities of the Strategic Development Plan. The implementation of the programmes within the Fund is a continuation of the programmes/projects started in previous years and where there are no new projects in 2017.

The main results and achievements of the investments already undertaken include the improvement of the national electricity grid, through the construction of the power plants in Hera and Betano, larger dimension irrigation projects in rural areas, water supply and road improvement.

The FI budget finances 21 programmes through the State Budget, external loans and private-public partnerships (PPP). Between 2011-2016, the total number of IF programmes increased from 12 to 21. Currently there are 1,309 projects under the Infrastructure Fund, namely 542 concluded projects (since the creation of the IF in 2011), 512 on-going projects, 196 projects that have yet to start and 59 projects that have not yet been financed.

The Government's priorities for investment in the IF continue to be basic and vital infrastructure, including electricity supply, water supply, irrigation systems, roads and bridges, having already resulted in an investment of over US 2 billion since 2011, fundamental for economic growth and diversification and for social changes in education, health, tourism, commerce, among others.

The implementation of these projects has already brought relevant direct and indirect

benefits, not only in regards to access and use of the developed infrastructure but also in the socio economic impacts and the development of the national economy, inclusively as a source for job creation.

We present a summary of the main results achieved through the implementation of the IF projects. These results are not limited to the mandate of the sixth Government, given the multi annual nature of the projects, and that therefore many of the achievements result from the continuation of previous projects, as well as many of the projects currently on-going will be concluded during the following legislatures. These projects are long-term investments due to the preparation, construction and operation and maintenance stages that require commitment in implementation continuity. Thus, the results presented in these 21 programmes covering the period since the establishment of the IF up until 2017.

Water and Sanitation Programme

The IF has 17 projects in the water and sanitation sector including drainage, water supply rehabilitation and general development of the drainage and sanitation system in Dili.

Currently there are 3 IF on-going projects, including the Dili Water Supply System and 2 un-financed projects, where documentation is being prepared for the “construction and supervision of the water and sanitation facilities” project (national level project) and the “water supply in 10 districts” project (under a PPP modality).

Agriculture Programme

The irrigation schemes are considered, by the Ministry of Agriculture and Fisheries (MAF), as an important component to achieve self-sufficiency levels in terms of basic food crops, especially rice and corn. Thus, the IF has 17 projects associated with irrigation.

We have concluded eight project since 2011, Including Raibere I and Raibere II from 2015 to 2016 and the Oebaba Phase II in 2015. The conclusion of these projects allowed for 6,814 ha to be covered by irrigation, contributing to the benefit of 5,378 farmers in the rural areas. Approximately 430 people were contracted locally during the construction.

Rural and Urban Development Programme

We finalised larger dimension projects: LiDAR and Spatial mapping in 2015, Where 24 people worked. We now have special data to regulate planning and housing and distribution of the settlements in Timor-Leste.

Public Building Programme

Of the 36 projects in the IF, we have concluded 6 since 2011: the Ministry of Social Solidarity, the National Elections Commission building, the Ministry of Justice, the Taibessi and Manleuana Phase I&II Markets, the Manleuana Market Phase III, DED for the resting place in the Loes area, Liquiça. 331 jobs were generated as a consequence of implementing these projects.

11 projects are still on-going, including the buildings for National Parliament, Civil Service Commission (SSC), Anticorruption

Committee (ACC), the office for Criminal Investigation, the Court (STJ, TSAFC, CSM) and the Commercial Bank. There are 7 projects that have available funding but have not yet started and 11 public buildings that require funding sources.

Programme for Financial Systems and Support Infrastructure

This programme has 10 projects, where one has been concluded: conceptual design, construction and supervision of the new building for the Ministry of Finance. Other projects are also on-going, such as the ASYCUDA system and the Computer data centre, among others. During the implementation of this programme, 3,064 people were employed.

Youth and Sport Programme

We have concluded 3 sports facilities projects, including the Baucau stadium in 2016, the project for the improvement of Díli Stadium (which includes the Detailed Engineering Design (DED) for the rehabilitation of the football stadium and stands), as well as the DED for multipurpose gymnasium number 2 (National Indoor Stadium) in 2014. 280 people were employed as a consequence of implementing these projects.

Education Programme

This programme is composed of 19 projects, where 3 projects have been concluded (construction of the Reference School in Oe-cusse Ambeno, construction of the New Kobe House for UNTL and the General Master plan for the UNTL campus

in Hera). These projects benefit more than 2,500 students and their implementation has employed 298 people.

Electricity Programme

The electricity programme is composed of 584 projects, where 338 projects have already been concluded since the establishment of the IF. The results and the main benefits of this programme are: the Hera, Betano and Oe-Cusse Ambeno power plants with 267 MW of energy, concluded from 2011 to 2015; the 150 KV High-Voltage Transmission Lines, concluded in 2014. The fuel storage tanks in the Betano and Hera power plants were finished in 2014 and 9 substations of 10 to 20 MVA and 63 MVA were concluded in 2012. 1,323 people were employed and 120,700 households have access to electricity as a consequence of implementing this programme.

IT Programme

There are 3 IT projects under this programme, with a view to ensuring that Timor-Leste offers the capacity and quality that are demanded by investors in the social, commercial and industrial sectors of the country. This programme supported phases 3 and 4 of the National Connectivity Project; the improvement of the Internet through Satellite, from 20 Mbps to 60/80 Mbps and also the installation of the FreeBalance system.

Millennium Development Goals Programme

We have concluded 2 projects in the 12 municipalities. As a consequence of the

MDG programme, there are 3,009 new houses that were built up to 2016 (82% of the final goal) in 27 locations spread throughout the municipalities. In 2015 we concluded the installation of solar panels in identified rural areas and also the installation of the Dom Boaventura statue, under the social project. 228 people were employed during the implementation of these projects.

Health Programme

We finalised 2 projects from the health programme: the construction of a Reference Hospital in Baucau, with an area of 2500 m² and a capacity to treat 200 people per day, and rehabilitation of the former “Palácio das Cinzas” building. These projects have generated close to 154 jobs.

Security and Defence Programme

The investment in police equipment and infrastructure, including accommodation for the police, has improved the functionality of the force. There are, however, other infrastructure projects that need to be concluded. Under this programme there are 5 on-going projects, 1 project yet to start and 20 projects already concluded.

In the defence sector, 16 projects have been concluded, including the Hera Barracks, the Naval Residence and the Construction of the Facilities for Support Services, Public Relations and Training. 6 projects are on-going: 1) Construction of F-FDTL posts in Ataúro; 2-3) F-FDTL Training Centre in Metinaro; 4) Water supply in Tilomar; 5) DED for the New Campus of the National Institute for Defence; and 6) Design of the

new building for the Ministry of Defence. There is one pending project due to issues related with land.

Tasi Mane Development Programme

The development of Tasi Mane is an on-going programme that focuses on infrastructure development. The Environmental Impact Study for the Tasi Mane South Coast programme was concluded in 2013. 439 jobs were generated during the process of construction and supervision of the first phase in Debos and Beaçó, Suai, Covalima and construction and supervision in Camenassa, Suai, Covalima.

Road Programme

The road programme is one of the most important strategic programmes, encompassing a total 390 projects (including 46 from the R4D subprogram). The IF supported and financed 91 projects since 2011, employing more than 4,700 people.

Bridge Programme

There are 26 bridge projects, where 12 are concluded (Daudere bridge, Belulik bridge, Bukoli, Bazartete bridge, bridge at the Laclubar and Manehat crossing, Comoro 1 and 2, rehabilitation of the Loes and Aisa bridges and others). There are 7 other on-going projects (Dilor, Taroman, Baer, Lawana in Ermera, construction of bridges 1/2 (suspended bridge) and Comoro 3, Mauchiga in Ainaro) and 7 bridge projects that have not yet started.

Airport Programme

As a result of the implementation of the Díli Airport airstrip rehabilitation project, concluded in 2016, 492 people were employed and 169 received training. The Suai Airport Project created in employment for 968 people since 2015 and is to be inaugurated in June 2017.

Port Programme

The IF short term programmes will focus on the following projects: 1. Development of Suai Port; 2. Rehabilitation of Díli Port; 3. Improvement of the regional port facilities in Com, Ataúro, Oe-Cusse Ambeno and Vemasse; 4. Construction of Tibar Bay Port; 5. Rehabilitation of Hera Port.

There are 6 projects under the IF Port Development Programme. Of these, 2 have been concluded: 1) Rehabilitation of the Díli Port since 2013; and 2) Navy Port in Hera. There are 3 new infrastructure development projects yet to be financed, in regards to the Díli Port. The Tibar Bay Project is being conducted under a PPP and is in a more advanced stage of this cycle of projects. Around 176 people were employed during the implementation of these projects.

Tourism Programme

There are 13 tourism projects: 6 projects have been concluded (5 emergency rehabilitation projects of various "CPLP" Gardens and Monuments and 1 sculpture project in Lifau, Oe-Cusse Ambeno). These projects have generated 275 jobs.

Programme for Design and Supervision of New Projects

There are 36 projects under this Programme, where 14 have been concluded, including the preparation of the Concept, Feasibility Study and DED for a few infrastructure projects in the Public Buildings Programme.

Maintenance and Rehabilitation Programme

The maintenance and rehabilitation programme was proposed by government during the Budgetary Review Commission in 2016, with the purpose of maintaining current infrastructure in good condition, such as road and water supply infrastructure. Currently there are 96 projects: 15 maintenance projects in the water sector, 9 projects in the road sector and 72 rehabilitation and maintenance projects related to rural roads. The implementation of these projects has generated close to 10,000 jobs.

Programme for projects financed by loans

Among the results achieved from loan projects concluded under this programme are 59 Km of high-quality roads between Tibar and Liquiça and between Tibar and Gleno, which allow a reduction in travel time between 25% and 40%.

To date, we have signed 7 Loan Agreements to finance road projects, all of them destined to improve and reinforce connecting roads.

- Road Network Improvement Project (RNIP) between Díli and Liquiça and between Tibar and Gleno (signed by the GTL and ADB in 2012);

- Road Improvement Project (RIP) between Díli and Baucau (signed by the GTL and JICA in 2012);
- Road Network Improvement Project (RNIP) between Manatuto and Natarbora (signed by the GTL and ADB in 2013);
- Road Protection Against Climate Change Project (RPACCP) between Díli and Ainaro (signed by the GTL and the WB in 2013);
- 2 Lane Carriageway with Central Reservation Project (signed by the GTL and ADB in 2012);
- Additional Financing for the Road Network Improvement Project (RNIP) between Baucau and Lautem, between Maubara and Karimbala, between Atabae and Mota-Ain (signed by the GTL and ADB on the 4th March 2016);
- Construction Work and Improvement of Drainage in Díli (signed by the GTL and China on the 18th December 2015).

There are other projects with potential to be financed through loans and that are currently in preparation phase (design and study and feasibility) or under negotiation in order to sign the terms of the loan:

- South Coast Highway (first section between Suai and Mola);
- Road between Aituto, Hatubuilico, Letefoho and Gleno;
- Development of the Díli International Airport;
- Development of the Tibar Bay Port;
- National Road between Baucau and Viqueque;
- Suai Logistics Base (SLB).

From 2015 to 2016, the implementation of projects with loans provided employment to 2,264 people.

	Project/Programme Name	Number of Projects	Summary of results achieved (2011 to 2016)	Local (national and municipal)	Budget spent (2011-2016)
1	Water and Sanitation Programme	17	12 completed projects	Municipal	\$ 10,489,690
2	Agricultural Programme	17	8 completed projects	Municipal	\$ 31,082,473
3	Rural and Urban Development Programme	12	2 completed projects	National	\$ 18,110,507
4	Public Buildings Programme	36	6 completed projects	7 Municipalities	\$ 45,329,230
5	Financial Systems and Support Infrastructure Programme	10	1 completed project	Díli	\$ 45,851,910
6	Youth and Sport Programme	14	3 completed projects	8 Municipalities	\$ 4,679,240
7	Education Programme	19	3 completed projects	8 Municipalities	\$ 11,443,399
8	Electricity Programme	584	338 completed projects	National	\$ 996,957,434
9	IT Programme	3	On-going	Díli	\$ 17,454,500
10	MDG Programme	6	2 completed projects	12 Municipalities	\$ 45,480,618
11	Health Programme	6	2 completed projects	Baucau, Díli	\$ 8,430,340
12	Security and Defence Programme	49	36 completed projects	11 Municipalities	\$ 21,899,400
13	Tasi Mane Development Programme	7	1 completed project	4 Municipalities	\$ 165,929,166
14	Road Programme	335	91 completed projects	National	\$ 409,618,110
15	Bridges Programme	26	12 completed projects	7 Municipalities	\$ 43,667,670
16	Airport Programme	7	On-going	5 Municipalities	\$ 31,323,536

	Project/Programme Name	Number of Projects	Summary of results achieved (2011 to 2016)	Local (national and municipal)	Budget spent (2011-2016)
17	Port Programme	6	2 completed projects	Díli, Hera/ Tibar	\$ 146,292,815
18	Tourism Programme	13	6 completed projects	4 Municipalities	\$ 5,378,900
19	New Project Design and Supervision Programme	34	14 completed projects		\$ 5,678,520
20	Maintenance and Rehabilitation Programme	96	On-going	National	\$ 13,959,099
21	Programme for projects financed by loans	12	3 completed projects	7 Municipalities	\$ 62,378,000
TOTAL		1.309	542 completed projects		\$ 2,141,434,557

SPEECHES

SOCIAL

INFRASTRUCTURE

ECONOMIC

GOVERNANCE

DID YOU KNOW THAT

LEGISLATION

GENERAL STATE BUDGET

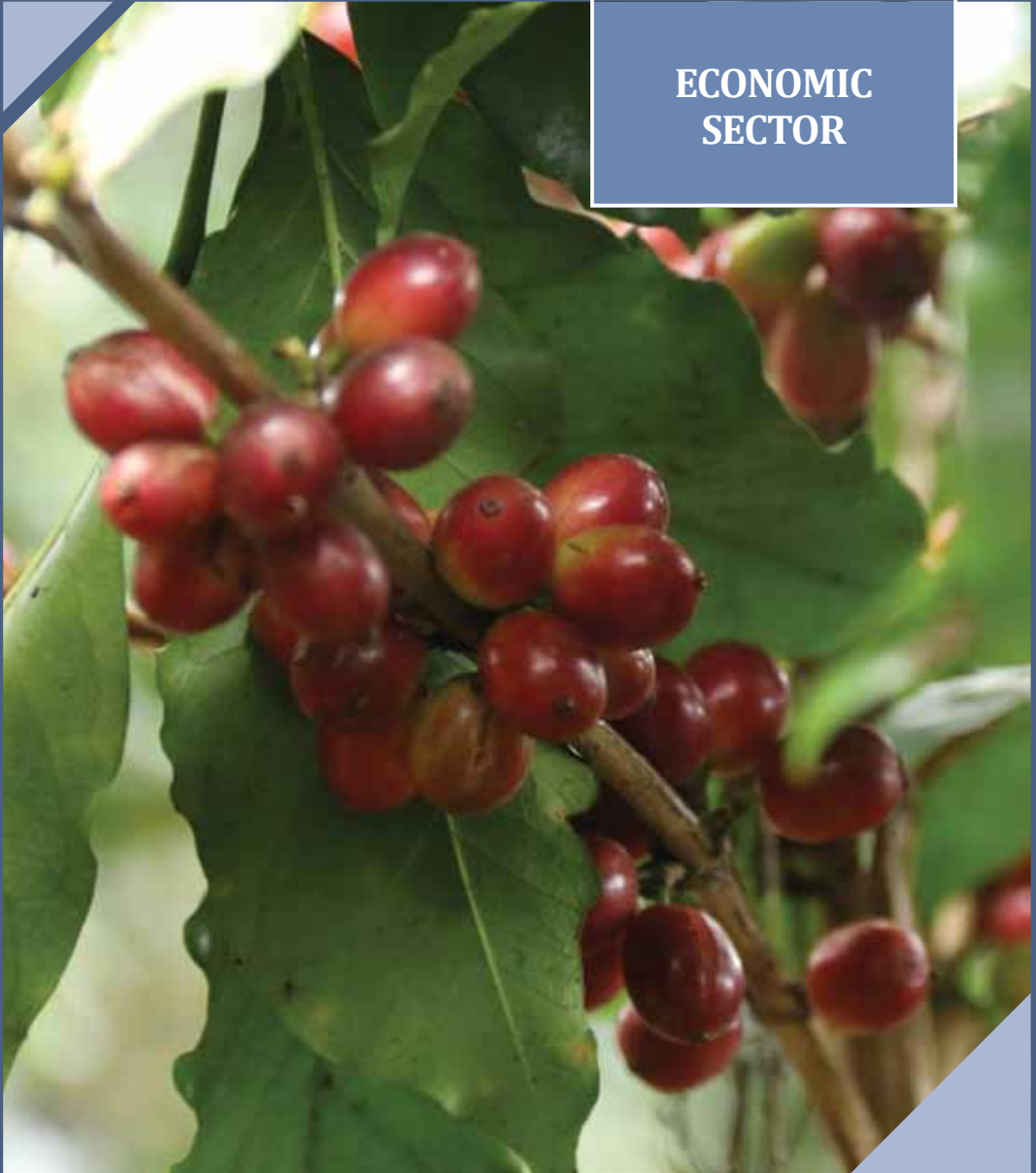
Timor-Leste is currently a low income country. However, our nation has significant economic opportunities and strong potential to become a middle-income Nation by 2030. The Sixth Constitutional Government aims to develop a flourishing market economy with a strong private sector to provide jobs for our people and ensure that all parts of our Nation benefit from the development of the country's natural resources.

We are also diversifying our economy and focusing on expanding and modernizing our agriculture sector, building a thriving tourism sector and encouraging much higher levels of private sector activity, including the growth and expansion of small and micro businesses.



**SNAPSHOT OF THE SIXTH
CONSTITUTIONAL
GOVERNMENT MANDATE
[2015 - 2017]**

**ECONOMIC
SECTOR**



Subsidies for farmers

We have purchased approximately: 80 tonnes of Nakroma rice seeds; 275 tonnes of Nakroma improved rice seeds; 15 tonnes of rice seeds for non-irrigated area; 100 tonnes of local maize; 65 tonnes of high production maize seeds; 175 tonnes of Sele, Naí and Noi Mutin maize seeds; 28 tonnes of organic and non-organic fertilizers; 350,000 litres of fuel; 23,000 litres of pesticides; 6 tonnes of europa potatoes; 20 tonnes of Utamua peanuts; 5 tonnes of soya seeds; 8 tonnes of mungo beans; 30,000 packs and 1.1 tonnes of vegetable seeds.

“Horticultural Waist” programme

We continue to implement the “horticultural waist” programme annually in 8 Municipalities (Aileu, Ainaro, Baucau, Bobonaro, Dili, Ermera, Liquiçá e Manufahi) which covers a total area of 107 ha with vegetables and fruit and involves 1,620 farmers (F: 810 and M: 810).

Integrated farming

We have set up integrated farming in the irrigated areas of Oebaba, Raibere, Karau Ulun, Casa and Bonuk (municipalities of Ainaro, Covalima and Manufahi), covering a total of 960 ha, benefiting 1,020 farmers (F: 357 and M: 663) and we forecast, by the end of 2017, to reach 4,530 ha more and benefit another 3,170 farmers. We have trained 483 farmers through the rural school.

Seed multiplication

We produced seeds of the following varieties, mother and foundation rice (0.8 tonne), maize (3.4 tonnes), peanuts (4 tonnes), sweet

potatoes (200,000 cuttings), ailuka 2 and 4 varieties of cassava (300,000 sticks).

We produced certified seeds of rice (10 tonnes), maize (24 tonnes) and peanuts (22 tonnes) and commercial seeds of rice (327 tonnes), maize (298 tonnes) and peanuts (25 tonnes) and 200,000 cassava sticks of the ailuka-2 and 4 variety.

The multiplication seeds covered the municipalities of Aileu, Baucau, Bobonaro, Liquiçá, Manatuto and Manufahi, where 107 associations of commercial producers were established and 362 farmers (F:142 and M: 220) benefited.

We continue to work in order to produce in 2017:

Seeds of the mother and foundation varieties: 0.6 tonne of rice (Nakroma: 0.3 tonne and Nakroma 0.3 tonne); 1.7 tonnes of maize (Sele 1 tonne and Noi mutin 0.7 tonne); 0.6 tonne of mungo beans (Lakateu variety 0.3 tonne and Quikai 0.3 tonne); 2 tonnes of Utamua variety peanuts; 200,000 sweet potato cuttings of H1, H2, H3 varieties and 300,000 cassava sticks.

Certified seeds: 14 tonnes of rice of Nakroma variety; 13 tonnes of maize (Sele variety = 7 tonnes, Noi Mutin = 5 tonnes and Nai = 1 tonne); 0.6 tonne of mungo beans; 11 tonnes of Utamua variety peanuts; 200,000 sweet potato cuttings of H1, H2, H3 variety and 300,000 cassava sticks.

Commercial seeds: 356 tonnes of rice (total intervention area of 178 ha), 358.5 tonnes of maize (intervention area totalling 239 ha) and 23.45 tonnes of peanuts (intervention area totalling 33.5 ha).

We estimate we will train 1,380 members of associations, establish 65 associations of commercial producers and that production

will be 2 tonnes/ha of rice; 1.5 tonnes/ha of maize and 0.7 tonne/ha of peanuts.

Support to the initiatives of groups of young farmers

We supported the initiatives of 226 groups of young farmers (F: 1,197; M: 2,634: Total: 3,836 persons), distributed throughout the national territory, in the following areas:

- 66 groups (F: 346 and M: 644) of horticultural (66 ha used);
- 26 groups (F: 258 and M: 477) of rice (167.5 ha used);
- 49 groups (F: 294 and M: 600) of maize (193.2 ha used);
- 25 groups (F: 77 and M: 642) of aquaculture (established 115 tanks where 69,000 fish fingerlings were left);
- 24 groups (F: 72 and M: 101) of pigs (100 heads purchased);
- 22 groups (F: 110 and M: 115) of buffalo (160 heads purchased) and
- 14 groups (F: 40 and M: 60) of goats (100 heads purchased).

We continue to work towards establishing, in 2017, 5 groups of beekeeping, 40 groups of rice and maize and 20 groups of horticultural crops, 255 ha (1.5 ha per group) used; 50 groups of pigs (180 heads purchased); 11 groups of buffalo (60 heads purchased) and 20 groups of goats (100 heads purchased).

Programme SoL (Fini ba Moris)

Through the Programme SoL (Seeds of Life) we conducted research on rice, maize, sweet potato, cassava, peanut, and other local cultures with potential, and on the morphologic characterization of rice. We

finished the research on the identification tests on the production of ruminant animals (Baucau and Laitem). We continued to research the conservation and improvement of the lines of maize farming and the tests on the production of animal food with local produce (sago, cassava, and maize). We are collecting data for the research on the impact of organic fertilizers in the red rice production (Venilale).

We have set 1 conservation unit in Betano intended for the conservation of local genetic varieties, which is used to carry on with the Seed of Life (Fini ba Moris) research activities for rice, maize, sweet potato, cassava, peanut, wheat, and potentially other local cultures.

Additionally, we will conduct: 5 researches on the conservation and improvement and, within their scope, carry out research on cultures (rice, maize, sweet potato and genetic resources); 3 researches on the adaptation, and covered by these, research on 5 cultures (wheat, vegetables, european potato, red rice, and dry season rice), and also, 6 ground researches).

Producing and planting high commercial value forest species

We planted 54,500 feet of sandalwood and 40,000 feet of turi, in a total area of 128 ha, and we carried on with the maintenance of 6 ha of said plantation and also of the ginger plantation (Covalima and Bobonaro). We registered 80% survival rate, a year after the sandalwood was planted by farmers.

We developed forest nurseries in 12 municipalities and produced 210,000 feet, did the maintenance on 18 ha of wood plantation to be used as firewood (Liquiça)

and on 5 ha of agroforestry (Dili and Aileu).

We have built a water storage unit.

Additionally, we anticipate we will produce 20,000 feet of sandalwood and 20,000 feet of sesbania, to farm a total area of 50 ha; maintain the sandalwood plantation within an area of 100 ha and replant 8,000 feet, set 27ha of bamboo and produce 7,500 feet.

This activity reached 525 farmers.

We produced 24,000 feet of teak, 24,000 feet of mahogany, 12,000 feet of saria and 6,650 feet of shading, covering 100 ha and 200 farmers in the municipality of Viqueque.

We also count on producing 6,000 feet of teak, 6,000 feet of mahogany and 8,000 feet of saria to plant 50 ha of the municipality of Viqueque, benefiting 100 farmers, to carry on with the teak, saria and mahogany maintenance in an area of 100 ha and also replant 26,662 feet of these three types of wood.

Planting coffee and industrial plants

We rehabilitated 350 ha of coffee in Ermera and 150 ha in Liquiça. We expanded 50 ha of the coffee plantation in Aileu, Ermera, Ainaro and Manufahi and diversified 100 ha of coffee plantation in Ermera. The total coffee production, by the end of 2017, is of around 50,687 tonnes.

We executed out the expansion of 1 ha of tobacco; 2 ha of Kami'i; 6 ha of cotton, 2 ha of coconut; 4 ha of cashew nuts and 2 ha of cocoa. Additionally, we expanded 6 ha of intercalating culture of coconut and cotton, 6 ha of coconut and cocoa and 4 ha of cotton and tobacco.

These activities benefited 989 heads of family. Furthermore, we foresee:

- The **rehabilitation** of 450 ha of coffee, which will reach 700 heads of family

coffee farmers, in the municipalities of Aileu, Ainaro, Baucau, Bobonaro, Ermera, Manatuto, Manufahi, e Liquiça;

- The **expansion** of 100 ha of coffee, 94 ha of perennial or annual plants in 11 municipalities (14 ha of coconut in Lautem; 14 ha of cocoa in Viveque; 10 ha of hazelnut/Kami in Baucau and 5 ha in Ainaro; 8 ha of clover in Manatuto and 6 ha in Liquiça; 7 ha of cashew nuts in Covalima and 7 ha in Bobonaro; 8 ha of pepper in Aileu and 7 ha in Liquiça and 8 ha of vanilla in Ermera); and 800,000 feet of coffee seedlings, 10,000 feet of shading trees and industrial plants (cocoa: 15,554 feet; coconut: 1,722 feet; cashew nuts: 2,184 feet; vanilla: 10,000 feet; hazelnut/kami: 2,184 feet; clover: 4,018 feet and pepper: 24,000 feet).

Extension of recreational plantations

In the Botanical gardens (Remexio) we collected and identified 3,000 feet of native species, executed the maintenance of 4 ha with a total of 1,200 feet of species introduced 28 species of samples and expanded 6 ha with native species totalling 3,000 feet and 103 samples of species planted. Additionally, we are going to develop the drawings of the landscapes and carry out the analysis of the ground samples and the maintenance of 100 ha.

In the National Park "Nino Konis Santana", we prepared 5 ha of land and planted 10,000 feet of native species seedlings, and will proceed with the maintenance of 5 ha.

Grassland

We implemented 12 ha of grassland using the CFS (Crops Forage System) method and

native grassland in Manatuto and developed 8 ha of native grassland in Bobonaro, Covalima, Lautem and Manufahi. We continue to work to establish and develop the communal grassland with 7 ha and improve 6 ha of native grassland.

Farming of dairy goats, pigs, and cows

We executed the maintenance of 65 ha of forage for dairy goats, purchased 16 heads of cows to support the cow fattening programme; 13 tonnes dairy goat feed; 101 tonnes of goat feed; 10 tonnes of chicken feed and 73 tonnes of pigs feed. We also purchased 24 Silo units with 2 tonnes capacity, to support the redistribution of cows, reaching 100 farmers (F: 8 and M: 92).

We also aim to replant 15 ha of dairy goat forage, set up a cow fattening programme, purchase material to support the redistribution of cows, purchase 180,000 kg of pigs feed, 36,000 kg of dairy goats and 138,000 kg of chicken feed and examine 200 seeds (straw) for cows and 300 cows.

Animal vaccination

We vaccinated a total of 2,188,591 animals of which included 678,848 head of cows, 447,190 head of pigs and 1,062,553 beaks of chicken.

Production of tilapia and freshwater fish

We launched the production of tilapia in September 2016 and set up 138 new tanks of tilapia (8 in Ainaro; 17 in Baucau; 16 in Bobonaro; 7 in Covalima; 31 in Ermera; 10 in Lautem; 10 in Liquiça; 7 in Manatuto; 15 in Manufahi and 17 in Viveque), reaching 50 farmers. We had the first 2 tonnes harvest of

tilapia in March 2017, which yielded around US 5,690 dollars (US 3/kg).

We identified 45 tilapia producers and will, also, set up 64 new tanks for tilapia farming and production of 400,000 fingerlings, produce 389 tonnes of tilapia and develop the creation of 10 ha of fresh water (8 ha of tilapia farming and 2 ha of Catfish farming), purchase 13 tonnes of fish to support 11 groups or 60 farmers, set up 1 ha of brackish water to produce 3,200 kg of milkfish and set up 1 ha of sea water to produce 1,6 tonnes.

Irrigation system

We inaugurated the irrigating system of Buluto (January 2017) which will allow the irrigation of 780 ha.

The building of the 2nd stage of the Karau Ulun irrigation will soon be concluded and will irrigate a total of 1,030 hectares.

The irrigation system of Larisula shows a physical evolution of 38% which, when concluded, will allow for the irrigation of 374 hectares.

Fishing Training Centre

The construction of the Fishing Training Centre in Liquiça reached 40% and it is predicted to be concluded in September 2017. It will be used as a training centre for the fishing technicians, fisherman, fish farmers and youth, with the aim of broadening their knowledge, as well as preparing the workers in this area to be more competitive in the provision of services.

Agricultural Technical Schools

We count on the 4 Agricultural Technical Schools (ATS) in Lautem, Manatuto, Bobonaro

and Oe-Cusse Ambeno, where 70 teachers and 27 assistants teach. These ATS have an annual average of 660 pupils, around 317 of whom attend the 10th year, 164 the 11th year and 179 the 12th year annually (Oe-Cusse Ambeno only had pupils in the 2015 school year and Lautem does not have pupils in the 2017 school year).

Approved Legislation – agricultural sector, forests, and fishing

We approved the following diplomas to support the policy for the development of the agricultural, forests and fishing sector: the National System of the Protected Areas; the procedure for submitting proposals for the classification of protected areas; the creation of the Botanical Garden “*Francisco Xavier do Amaral*”; the creation of the National Park “*Kay Rala Xanana Gusmão*”; the inter-ministerial technical committee for the Management of Water Basins; we implemented the Nacional Sandalwood and Forests Day; we carry on with the alteration of the list of protected water species and minimum fish size; the National Strategy for Sea Waste Management; the National Policy for Food Safety; and the Forests General Regime, which is being discussed in Parliament for approval.

Formal training in the areas of oil and mineral

We awarded 76 scholarships for undergraduate degrees and 7 scholarships for masters in the areas of geology, geography, chemistry, geophysics, environment and mines. The scholarship recipients are doing their studies in Australia and Indonesia, and

27 scholarship recipients have concluded their degree in engineering (26 degrees and 1 masters).

Pilots and Aviation Technicians

We are training 7 pilots and aviation technicians to meet the needs of the oil industry. Of these, 1 receives training for commercial aviation, 2 have already concluded the training as commercial aviation instructors and are already working at the Aeroflyer Institute in Jakarta, and 4 continue the helicopter pilot course at APFT Kota Bharu Malaysia (1 pilot has 3 exams left to finish the “PPL Flying”, 2 pilots have 2 exams left to finish the “PPL Flying”, and 1 already completed the “PPL Flying” and passed the “CPL Helicopter Training”).

Professional Training in the areas of oil and mineral

Around 95 Timorese engineers receive short term professional training in “Process, instruments, and value in oil and gas operations”, English, and “Safety and Survival” in Malaysia, Indonesia and India. In the first stage, 15 students (46% of whom are female) concluded their training in November 2016 and in August of the same year 20 additional students were sent (40% of whom are female). The second stage will be concluded in 2018.

Capacity building of Costa Sul project communities

We offered courses in English, IT and driving to more than 1,430 inhabitants of the communities in the municipalities of Covalima (Suai) and Viqueque (Beaço) that

are more directly involved in the South Coast Project.

National Mining Company – Murak-Rai Timor-Leste S.A.

We approved the creation of the national mining company, Murak-Rai Timor-Leste S.A. (MRT), which shall protect the interests of the State in the country's exploitation of mineral resources. MRT is a necessary institution to guarantee the development of an economic sector of great potential and contribute for the diversification of the economy, which is vital for Timor-Leste.

EITI Reports

We produced the 5th (2012) and 6th (2013) Reports on the Extractive Industries Transparency Initiative (EITI) which were distributed to six administrative offices to more than 530 individuals. We also promoted the implementation of the TEII with 469 higher education students. We are producing the 7th and 8th Reports which had their drafts concluded in April, and have their launch and publication forecasted by the end of the term.

I Conference on Energy for the Development of CPLP

In the scope of the Rotating Presidency of the Community of Portuguese Speaking Countries (CPLP), we presided to the I Conference on Energy for the Development of CPLP, in Portugal, which was an opportunity to reflect and increase the knowledge of the political and economic dimension of the energy resources of the countries within this Community.

Cooperation in the natural resources management sector - São Tomé and Príncipe

On the basis of the Agreement signed in 2010 between Timor-Leste and São Tomé and Príncipe, we took part in the launch of the first report on the Extractive Industries Transparency Initiative (EITI) of this country, with whom we cooperate in the natural resources management sector, particularly in the fields of implementation of the EITI and the management of its regulatory entity.

Legislation for the oil sector

We approved the Decree-Law on the Offshore Oil Operations and the Ministerial Diploma on the Specific Licensing Rules of Mining Exploitation Activities.

We are preparing the draft of the Law on Transparency that sets up the legal regime applicable to all industries and economic sectors related to natural resources, with the view to implement a set of principles, rules and transparency procedures to be followed and adopted by all entities and governmental bodies and by all private companies, entities and individuals who develop natural resources exploitation activities in Timor-Leste.

Timor-Leste Policy on Tourism

We approved the “Growing Tourism to 2030 – Enhancing a National Tourism Destination Identity”, which defines the development of the sector for the country with five core themes: the commitment to an increased prosperity; management spirit centred on the protection of the natural and cultural resources of the country and

the safety of visitors; a partnership with all the stakeholders having a voice and sharing responsibilities; the acknowledgement that people are at the core of the tourism activity; and knowledge, skills and adequate behaviour should be instilled in them.

Tourism infrastructure

We rehabilitated the Maubisse and Hatubelico Hostel, with the opening predicted to happen soon, and rehabilitated and opened the Tutuala hostel and the Forte de Baguia, infrastructures that will serve the local community and national and foreign visitors. Currently the hostels are leased to private tourism operators who guarantee their ongoing development.

We are building the Centre for Tourism Information in Dili, with physical progress estimated at 40%, this will be used to give information to all visitors to the country.

Historical Tourism

We approved US 1 million dollars to conduct viability studies and implement projects that focus specifically on historical tourism in Baucau (Matebian) and Lospalos (Paisau/ Nino Konis Santana Park), which we anticipate will include the training of some 200 tourist guides.

Training in the area of Tourism

We offered training to 60 individuals (F: 40 and M: 20) in the Special Administrative Region of Oe-Cusse Ambeno in the field of hospitality, who will work in restaurants and hotels.

We conducted training for 490 taxi drivers, with trainers from the civil aviation, traffic

police, land-based transports and ministry of tourism.

Signage in touristic places

We prepared information material, signposted places and prepared the content for the training of guides in the municipalities of Liquiça (Ulmera, Kasait, Lauhata, Maumeta, Liquiça Vila, Aipelo prison and Forte de Maubara), of Bobonaro (Be'e Malae, Balibo monument, Balibo and Marobo hostel).

We also identified 3 places with architectural heritage or Portuguese origin, namely the residence of a former Portuguese administrator in Liquiça, the forte of Maubara and the former Prison of Aipelo, with the aim of protecting them and promoting their importance to visitors.

Tourist events

We carried out, annually, several tourist events, at both national and international level, with the participation of citizens of several countries: the carnival parade in February; the Darwin-Dili regatta in July; the Tour of Timor and the Artistic Caravan (promotion of cultures and Timorese tradition).

We also, conducted the Art and Culture Festival and celebrated the National Culture Day, in 2016, which had over 300 representatives from the 12 municipalities participating in the cultural and artistic activities (lectures, poetry, painting, dance and traditional music).

We took part in the Expo in Milan, in 2015, where there were over 119 countries present. During the six months of the exhibition, from May to October, over 616

thousand visitors visited the Timor-Leste's pavilion.

Tourism website

We launched the website www.timorleste.tl for the international promotion of tourism, which has information on the country as well as accommodation, the various activities and travel planning throughout the national territory.

Promotion of tourism and culture

We produced 32,500 tourism promotion materials such as brochures on the general tourism, DVD's on Maritime Tourism and on Cultural and Historical Tourism, brochures on the tourism facilities and activities on the Ataúro island, which are being distributed by tourist operators and places with high public attendance.

We promoted the publicity of cultural material and immaterial objects, by printing 2,000 copies of the *Tais de Covalima e Lautem*, and put together the exhibition of cultural objects of the "Atoulas Collection" at Expo Milan.

Community Tourism Programme

We implemented the Community Tourism Programme by awarding US 200,000 dollars to 8 projects from 5 Municipalities (Bacau, Manatuto, Aileu, Liquiça and Maliana) and 3 in Oe-Cusse Ambeno. Some of the projects supported ranged from resting places, minimarkets, rehabilitation of the artisan market. A number of the projects have already been finished and others will be finished in 2017.

Legislation on Industry

The draft of the National Policy for the Development of Industry is going through the technical and public consultation process. Once this is concluded, any improvements will be made prior to its submission to the Council of Ministers for consideration and approval.

National and International Fairs

We ran 96 Dili Weekend Markets with the participation of around 40 merchants who promoted the arts and crafts, weaving, traditional medicine, and cooking.

We also participated in 6 international fairs in Milan, Indonesia, China, and Portugal where we promoted organic coffee, cinnamon and sandalwood, in addition to promoting information on its production.

Management of the Taibessi market

We implemented the regulation on the management of the Taibessi market and built a car park for 500 vehicles to improve access for merchants and customers.

Registration of micro businesses

We decentralised the licensing process for economic activities and issued around 5,400 licences, increasing the participation of economic agents registered in micro businesses in the municipalities and ZEESM.

Salt production

Through the public subsidies fund, we financed the use of 22 hectares of land in the coast of Atabae, where we built sea salt water processing plots for the production of salt raw material, in order to meet the raw material needs of the company NPM, Unip. Lda (in

Tibar) for the production of commercial salt and salt for consumption.

165 individuals are benefiting from the salt production in Atabae, through an increase in revenue and improvement of their families' economic lives. The first year of production (2016) resulted in collecting 70 tonnes of salt which was sold to the company NPM, Unip. Lda.

Currently the raw materials for NPM, Unip. Lda. plant are supplied from the production of salt in Ulmera, Manatuto, crystal salt from Laga and Atabae. The salt produced for consumption is mostly sold in local markets, however, in 2016 25 tonnes were exported to the Singapore market.

Ground coffee production

We supported financially (with equipment and technical assistance), the packaging of ground coffee, leading to the production of 25,000 sachets a day (60 Kg) employing 18 individuals in Liquiça.

Coconut oil and soap production

We supported the production of 600 litres of coconut oil per week and 3,000 packs of soap per month. We were able to export 200 bottles per month to the Australian, Indonesian and Japanese markets and we are identifying other export markets.

Agricultural Processing Centre

We have built and equipped the Technical Support Centre for Agricultural Products Processing in Natarbora, which conducts professional and business training courses on industrial processing of agricultural products; gives technical support on marketing;

develops follow-up and consulting actions for local micro and small entrepreneurs; encourages local farmers to improve productivity and increases agricultural production. More than 150 people, from the home-based industries and local farmers, have benefited from business training. It is intended that this Centre will function, in the future, as an excellent business and industrial incubator for the entire national territory.

Development of bamboo plantation

We set up 17 nursery centres for the development of bamboo plantation (Betun and Betar, etc.) in Aileu (1), Ermera (4), Liquiça (5), Lautem (1), Baucau (2), Viqueque (1), Manatuto (1), Same (1) and Ainaro (1). We planted 58,642 bamboo seeds on around 489 hectares, benefiting 410 farmers (F: 95 and M: 315).

Bamboo collection and processing center

We set up 4 new bamboo collection and processing centres (Liquiça, Baucau, Lautem and Viqueque) that have already benefited 38 people (F: 4 and M: 34).

Purchasing of bamboo raw materials

We purchased 539,766 strips of bamboo betun from 285 farmers (F: 20 and M: 265) and 17,394 bamboo betar trunks from 92 farmers (F: 11 and M: 81). From these, we produced more than 5,150 square meters of bamboo boards that were used to make other products of this kind. We made an investment of about US 95 thousand dollars and by the end of the term we expect to raise about US 265 thousand dollars from the proceeds of bamboo products.

Management and maintenance of bamboo

We carried out 13 socialization activities resulting in 567 farmers (F: 117 and M: 450) being informed and qualified in the management and maintenance of bamboo.

Bottled water industry

We supported two companies producing bottled mineral water with US 68 thousand dollars producing around 530 bottles of water per day, employing 21 individuals and benefiting 500 consumers.

Plastic recycling industry

With the national program “Plastic zero policy” in the whole territory, we are installing recycling machines, we employed 33 individuals and collected 64 tonnes of plastic in Dili and exported 22 tonnes to South Korea and Indonesia. The opening of the plastic recycling plant is scheduled for July.

Online Computing for Credit Cooperatives

We improved the system of access to credit (savings and withdrawals) of 3 cooperatives in Dili and Maliana through the introduction of an online computer system that facilitates the technical and administrative assistance of credit cooperatives to its members.

Crocodile Management Centre

We built the crocodile management centre in Hera, where we have already collected 3 crocodiles, in order to reduce the risk of attacks.

Food Safety

Through the National Logistics Centre (NLC),

we imported 12,800 tonnes of rice, in the total amount of US 6.4 million dollars, to ensure adequate reserves of national food stocks. This product served to support programs such as School Lunch, victims of natural disasters and the vulnerable population identified by the MSS.

In 2017, we expect to import 2 thousand tonnes of rice, with a financing of US 1 million dollars.

We also bought more than 2,866 tonnes of neli and 561 tonnes of maize from farmers in 5 municipalities. A budget of US 1.5 million dollars was spent to encourage local producers to make rice available in the domestic market.

In 2017, together with the MAP, we will buy 1 tonne of local rice with the financing of US 400 thousand dollars.

Rice price normalization

We sold more than 9,535 tonnes of rice in the national price normalization program, which resulted in approximately US 2.8 million dollars in revenue.

Certificate of origin of Café Timor

We have issued 203 Coffee Timor export certificates for export, equivalent to more than 3,800 tons of certified coffee.

Public subsidies to support industry and cooperatives

We have funded 76 groups of salt production industries, bottled drinking water, handmade production of various items, handmade processing of precious stones, and production of snack products. New plastic recycling industries (Dili) and dirty

oils (Liquiça) were established. There are 585 direct beneficiaries, through the self-employment opportunity, and over 1,000 indirect beneficiary farmers.

394 groups of cooperatives in the areas of goat, pigs, cattle and poultry farming, horticulture, aquaculture and sea fishing were financed, benefiting 2,810 cooperative members.

We supported 466 micro and small entrepreneurs in the area of commerce (kiosks, buying and selling vegetables in the markets of Taibessi and Manleuana).

We provided financing to companies in the production, distribution and sale of vegetables (created 150 jobs); Garbage collection and plastic recycling (which created 33 jobs) and repair and maintenance of vehicles (generated 15 jobs).

We financed 3 cold stores, benefiting 150 people (135 suppliers of agricultural products and 15 meat suppliers in Ainaro, Manufahi and Ermera) who became permanent suppliers of these stores.

Inspection and Supervision of Economic, Sanitary and Food Activities

We have set up the Inspection and Supervision Authority for Economic, Sanitary and Food Activity - AIFAESA, whose objective is to control the quality, transport and health conditions of food and production and marketing sites, as a way to reduce or prevent risks to Public health. AIFAESA undertakes the inspection and supervision activities that were previously the responsibility of MAP, MS and MCIA.

With the start of functions in February 2017, AIFAESA carried out 40 training actions

to support the operational activities of establishments, registered establishments and products and elaborated check lists for restaurants and products.

AIFAESA inspected: 245 catering and trade establishments, of which 168 were in accordance with licence requirements and 77 were found to have irregular licenses; 11 fuel stations and 94 machines (nozel) of which 88 were out of date and 6 needed to be recalibrated to the required standards; 38 commercial establishments (supermarkets and shops) where 1,027 products were registered in infringement, without being properly labelled.

In total, AIFAESA issued 170 reports for misconduct, having already notified 125 offenders, with 45 of them still to be notified; Listened to 86 offenders in their defence and instructed 86 cases of misconduct, 38 were fined and 22 were defaulted. In addition, two companies that produced “tempe” were temporarily closed (for 90 days) for using formaldehyde.

Handling ships

More than 1,560 general cargo ships, tankers and “non solas” ships entered our port, which allowed us to collect revenues in excess of US 4.4 million dollars, with more than US 869,000 dollars still outstanding.

Import and export containers

We registered more than 52 thousand containers transported, 26 thousand containers for export, with the remaining containers being imported.

Berlin Nakroma

The Berlin Nakroma, on the trips between Dili-Atauro and Oe-Cusse Ambeno, carried around 49,200 passengers and more than 580 tonnes of cargo, representing more than US 672 thousand dollars of revenue. We also carried out the annual maintenance of the ship and ensured its replacement. During this period, the surrogate ship carried more than 15,500 passengers and 19 tonnes of cargo.

Port infrastructures

We rehabilitated the container yard, rehabilitated the light signals from the lighthouse and two points near the Government Palace, the Maritime Police building, the APORTL operations security post and a former post office building, in Comoro, for the passengers' ticket office, selling the tickets.

National Suco Development Program (NSDP)

We transferred infrastructure subsidies to finance 745 projects in 240 Sucos and operational and training funds to finance training activities in 202 Sucos, worth almost US 19.5 million dollars.

We have trained over 19,000 people divided by Suco management teams and communities in the areas of planning, financial technical, leadership, operation and maintenance.

We monitored the progress of 745 projects in the health area (26 projects with 90% physical progress); water and sanitation (308 projects with 90% physical progress); education (63 projects with 90% physical progress); agriculture (25 projects with 90% physical progress); roads (322 projects with 90%

physical progress) and a ramp rehabilitation project, which is already completed. All are due for completion by 2017.

We held coordination meetings of the NDSP at the national and municipal level, for 350 people.

We have benefited nearly 500 thousand individuals with the National Development Suco Program.

Guide for Economic Reform and Growth (GRFE)

We have approved the Guide for Economic Reform and Growth (GRFE), the main guiding reference for economic reforms anchored in the Government Program and in the Strategic Development Plan.

GRFE, with benefits for the country's private sector and for all citizens, provides the basis for promoting economic diversification, attracting investment and creating sustainable jobs, involving a number of ministerial lines.

I Global Economic Forum of the CPLP

We held the 1st Global Economic Forum of the CPLP, with coordination amongst MPE, MCIA, MNEC and the National Association of Young Entrepreneurs (NAYE), in which we received more than 600 participants from 5 continents, especially CPLP member countries.

This Forum has resulted in partnerships between Timorese companies and international companies, which will be able to anchor Timor-Leste's strategic position as an attractive destination for Foreign Direct Investment (FDI).

III Conference of Ministers of Marine Affairs of the CPLP

We organized the Third Conference of Ministers of Maritime Affairs where we adopted the Plan of Action for the implementation of the *CPLP* Strategy for the Oceans; we have created the *CPLP* website for Maritime Affairs; we launched the national campaign “Clean Beach, healthy environment”, aimed at fighting marine litter; held an awareness workshop on the problems associated with marine litter; we have prepared the Terms of Reference for the creation of the *CPLP* Distinction for the Sea and the Terms of Reference for the elaboration of a Marine Litter Good Practices Manual.

Development of private investment

We conducted 2 Round Tables between the public and private sector, promoting ongoing dialogue for better alignment of public policy measures, in order to promote the leading role of the private sector economy.

We took steps to support the development of private investment: we simplified the system for granting work visas, capitalized the TLNCB, approved the Private Investment Law and provided training to the private sector.

Investment in TLNCB

We have invested US 5 million dollars in TLNCB to support economic growth through lending. As a result, 49,466 loans were granted, representing a total amount of nearly US 122 million dollars in credit.

Cooperation protocol with TL-CCI

We have signed a protocol of cooperation

with the Timor-Leste Chamber of Commerce and Industry (TL-CCI) in order to:

- a) facilitate the dissemination to the Timorese business community, the economic and fiscal measures implemented, in the scope of, the Economic Reform and Promotion and the Fiscal Reform;
- b) set up rapid mechanisms of institutional communication between the Government and the private sector, to identify the best way, for the Economic Reform and Promotion and the Fiscal Reform measures, to ensure the participation of the national private sector in the development of the Nation, thus contributing to growth and development of the private sector;
- c) create the basis for close cooperation in areas such as accounting and business management training, to contribute to the successful implementation of Economic Reform and Promotion and the Fiscal Reform, while facilitating the adaptation and modernization of the national business fabric;
- d) facilitate and promote the creation of an attractive business and investment environment in Timor-Leste.

Training economic agents

In support of the development of private investment, we carried out 7 training actions to the private sector, in 9 municipalities, on the preparation of business plans to facilitate access to credit. About 230 participants benefited from this training.

Through IBDS, we provided business training to 2,327 participants (50% women) on business ideas (BIN); business simulation

for illiterates (JFL); how to start a business (KIN); how to improve business (HIN); training on contractor management and how to improve skills. The training was given at 12 Business Development Centres in the 12 municipalities.

We provided follow-up and advice to 543 entrepreneurs (35% women) in matters such as costing, financial planning, and marketing. We also plan to advise 200 entrepreneurs who are already in business.

Through the Bamboo Institute, we provided training to bamboo technicians on building furniture and finishes (6 individuals in Indonesia); cultivation, processing and marketing of bamboo (12 individuals, of which 2 are women and 10 are men, in China); development of bamboo and rattan (7 individuals in China); handicrafts and engraving (2 individuals in Indonesia). We also delivered handicraft training, at the Bamboo Institute itself, for 22 bamboo farmers.

Public Subsidies Program for the business sector

Through the Institute for Business Development Support (IBDS), we have contributed more than US 560,000 dollars in financing for 133 small and medium-sized enterprises in areas such as fisheries, livestock, fruit growing, aquaculture, forestry, agribusiness, horticulture, floriculture, and construction, including historical tourism infrastructures developed by veterans. The public subsidies program aims to strengthen and consolidate the private sector at the national level, with the aim of boosting the Timorese economy.

We are currently reviewing the reports on the implementation of the first and second phases of the allocation of funding and monitoring all projects funded in the municipalities.

World Trade Organization

Timor-Leste obtained observer status of the World Trade Organization, an objective that is part of a political initiative to accelerate growth and support economic diversification and is also a contribution to economic participation in the region.

Modernization of the air transport sub-sector

With a view to its modernization, we analysed and reviewed the civil aviation sector in an inter-ministerial working group, and approved the National Civil Aviation Policy in the Council of Ministers. Since air transport is a crucial factor for the country's economic development, we are in talks with the relevant entities to promote synergies that guarantee security, competitiveness, and promotion as an investment opportunity in Timor-Leste.

Legislation for economic diversification

We have adopted several legal instruments in the scope of the implementation of the Guide to Economic Reform and Promotion (GERP), which helps to diversify the economy, attract private investment and create sustainable jobs, such as the Private Investment Law (under discussion in the National Parliament); the strengthening of the Timor-Leste Investment and Export Promotion Agency (TradeInvest) transformed into the

Private Investment Single Window; the Law on the Promotion of Exports; the Law on Arbitration Mediation and Conciliation; the Law of the General Regime of Administrative Offenses; the Commercial Companies Law (already approved in the National Parliament) and the transformation of SERVE into Public Institute.

We are drafting the Decree-Law on Insolvency (which has already had a first public discussion and which until the end of the term must be presented at the Council of Ministers) and the Commercial Licensing Decree (SERVE). We have approved the Legislative Policy of the Commercial Code which awaits the drafting of the articles of the Commercial Code.

National Employment Strategy 2017-2030

We elaborated the National Employment Strategy, involving all stakeholders (public sector and private sector), focusing on the concern of increasing formal employment and productivity of the existing workforce, which has already been discussed in the Council of Ministers.

National Skills Competition

We held the National Skills Competition in which 26 Vocational Training Centres participated in the areas of Hotel and Tourism; General Construction and Auto mechanics, with 184 competitors (F: 77 and M: 107) and 922 participants.

Professional qualification

We supported, with more than US 2.3 million dollars, 65 Vocational Training Centres throughout the country, accredited and registered in the areas of hotel and tourism,

general construction, auto mechanics, agriculture, aquaculture, administration and IT from levels I, II, III and IV, benefiting 3,393 trainees (F: 1,714 and M: 1,679).

CNEFP Becora

Through the National Training Centre for Employment and Vocational Training in Becora, we have adapted the National Qualification Standard program established by INDMO as the National Curriculum for all Training Centres in Timor-Leste. We have trained 8 Trainers (8 men) in the area of Construction Industry and 2 Trainers in the area of Sewing and Literacy, they have completed their Training and Evaluation (Cert III).

We conducted training of trainers in the areas of Training and Evaluation (Cert III) for 8 trainers (M = 7, F = 1) and Training and Evaluation (Cert IV) for 5 trainers (M = 2, F = 3).

CNEFP Tíbar

Through the National Centre for Employment and Vocational Training of Tíbar, we conducted training in Civil Construction level I through IV, in accordance with the National Qualification; we sent 138 beneficiaries for curricular internship and 58 beneficiaries for professional internships in the areas of Hospitality, Masonry, Plumbing and Administration; we held fairs in the districts with the purpose of publicizing the professional options and benefited 1,038 trainees.

Training the trainers

We have carried out the training program for

more than 251 trainers (F: 77 and M: 174) in general construction (masonry, plumbing, electricity, carpentry), auto mechanics, welding, and pedagogy.

Mobile Training

We implemented Mobile Training activities in the areas of construction industry, brick production (kesi), stone cutting machines, tile production, agriculture and fisheries, hotel and tourism, the training was delivered in the English language. These activities covered 357 people (F: 141 and M: 216) from the municipalities of Lospalos, Oe-Cusse Ambeno, Liquiça, Ermera, Baucau, Bobonaro and Díli. More than US 1.2 million dollars has been spent on this program, which includes the construction of 9 traffic and police stations, 12 public sanitation projects and 2 tourist information centres.

National Internship Program

We provided 902 internships (F: 502 and M: 400) throughout the national territory in the areas of administration, IT, hotel and tourism, electricity, plumbing, auto mechanics, masonry, sewing, refrigeration, carpentry, bread making, IT, agriculture, and welding.

Vocational Counselling

We provided professional counselling to 9,274 students (F: 3,234 and M: 6,040) in 32 schools in Dili, Covalima and Oe-Cusse Ambeno.

Professional Careers Exhibition

We held an annual Career Exhibition with the aim of making available to the secondary school finalists access to information about

the needs and opportunities of employment in the job market, which had 37,326 students participating (F: 18.067 and M: 19.259).

Foreign Employment Program

More than 1,437 Timorese workers (F: 221 and M: 1,216) went to Australia and South Korea for work in the areas of hospitality, tourism, horticulture and fisheries, as well as factories. These workers are estimated to have sent remittances worth about US 18 million dollars back to Timor-Leste.

Training in Korean

4,604 Trainees (F: 1,650 and M: 2,954), from Dili, Baucau, Bobonaro, Manatuto, Lautem and Covalima, received training in the Korean language, an essential requirement to be able to enter the Korean job market, before traveling to that country.

Rural Employment Program

We implemented 42 physical projects (construction, rehabilitation and maintenance of rural roads, community tourism, bridges and construction of ditches and barriers) and 125 intensive labour projects, which covered 14,174 beneficiaries. This program had a budget of around US 14 million dollars.

Self-employment Program

We approved 205 proposals for the structuring of small businesses, 18 proposals for small businesses and entrepreneurship and 5 proposals for groups with disabilities, which corresponds to a total of 2,139 beneficiaries (F: 695 and M: 1,444).

Professional training infrastructures

We have built two Vocational Training Centres for the construction industry in Viqueque and Oe-Cusse Ambeno, where equipment will be installed to start the professional training programs.

Vocational training and employment opportunities

We registered a total of 21,317 people (F: 9,343 and M: 11,974) who are looking for opportunities in vocational training and employment programs.

Legislation in the field of vocational training and employment

We have approved and made amendments to 9 diplomas, among which are highlighted: the Decree-Law of the National Institute for the Development of Manpower (*INDMO*); The General Labour Inspectorate Statute (*IGT*); The Ministerial Diploma that creates the Evidence Card; The Labour Law Review and the Diploma that lists hazardous activities for underage workers (<17 years of age).

Recognition of Skills

Through the National Institute for the Development of Manpower (*INDMO*) we implemented the Recognition of Skills in the areas of construction, hotel and tourism and the socialization by various groups.

We reviewed the qualifications of levels I and II in General Construction (the skills reviewed: Electricity, Plumbing, Welding, Carpentry, and Masonry) of the 6 Professional Training Centres such as CTC Salele, DIT Baucau, CNEFP Tíbar, Don Bosco, CNFP Becora and STVJ Camea.

We have developed and implemented the method of teaching pedagogy, specifically in the areas of education, training and evaluation in accredited vocational training centres (STVJ Comoro, SDRA, STVJ Camea, and DIT Dili).

Employment Relationships

We carried out 1,645 visits to companies (708 local and 937 foreign) within the scope of protection in the workplace, involving 11,783 workers (F: 4,306 and M: 7,343 Timorese and F: 266 and M: 868 foreigners).

We registered 471 cases of employment disputes of which 212 were resolved; 178 processed; 28 cancelled; 38 split and 15 arbitrary.

Promoting dignified conditions in the workplace

2,884 work inspection visits were carried out to promote the improvement of working conditions in the field of occupational risk prevention, job placement and unemployment protection, and in the field of social security and social protection, benefiting 36,632 workers.

Issuance of work permits

We issued 4,550 work permits to foreign workers and employers.

Special investment agreements

We have entered into special investment agreements for the implementation of important development projects: TL Cement, with the production of cement in Baucau, where there is an estimated reserve for 400 years of operation (investment of US 400

million dollars); and Pelican Paradise, whose construction of the first international tourist resort in the Tasi Tolu basin is in the final phase of negotiations (investment of US 310 million dollars).

Forest Investment Plan

We approved the Forest Investment Plan for the development of this sector, with implementation beginning in April.

The Forest Investment Plan will promote and accelerate the development of a national heritage of commercial trees and, through cultivating these in small farms and in agroforestry systems, create rural employment and income for farmers, municipalities, and the State. Commercial trees contribute to the diversification of the economy.

Coffee Development Plan

We have adopted and are implementing the Coffee Development Plan, with the main objective of increasing the income of Timorese families who are engaged in the cultivation and commercialization of coffee.

We have formed the National Coffee Association to strengthen and promote the Timorese Coffee chain, and we continue to work to position Timorese Coffee in the international market as a top quality organic product.

Business registration

Through the Business Registration and Verification Service, we registered 9,745 businesses and companies, including Empresários em Nome Individual [Entrepreneurs in Individual Name] (ENIN:

5,332); Unipessoal, Lda. [Unipersonal, Limited] (2,856); Lda. (1,473); S.A. [Anonymous Company] (28); E. P. (3) and Representação Permanente [Permanent Representation] (R. P.: 53).

Website of SERVE and TradeInvest

We have launched the SERVE website, www.serve.gov.tl, and TradeInvest, I.P., <http://www.investtimor-leste.com/>, to facilitate the process of dissemination of services to the national and international public.

Business Forum

We held two Business Forums to socialise and publicise the importance of commercial documents (including Certificate and Certificate of Commercial Registration, Authorization to Exercise Economic Activities and Commercial License) issued by SERVE in accordance with the law. 120 individuals took part in the forums, including directors, chiefs, procurement technicians, administration and finance and Timorese and foreign businessmen.

Registration of businessmen

Through IBDS we registered 3,870 clients (51% are women) in the database. Many are young people who want to start new businesses and small and medium business owners who are already in business.

We have registered 1,843 companies, with the majority being in the areas of construction, food and beverage processing. These registered companies will receive information, assistance, invitations to competitions and exhibitions, among other things.

Innovative Business Plan

We held two editions of the Innovative Business Plan contest for which 493 individuals (40% women) were registered, and a prize of US 35,000 dollars was awarded to six winners.

Business Incubator

We received 66 proposals for access to business financing, of which only 3 met the defined criteria and received funding. The proposals financed are businesses in the areas of trade in fish, meat and fruit plantations.

Market research

We conducted market research for four products (rice and corn, local goat, carpentry, and sea kelp) and by the end of the year another study will be done for two more products. According to the study, there is a great demand for algae, raw materials for carpentry are expensive, rice and corn grinding machines are needed, and goat meat is not much sought after by restaurants.

We conducted an impact study on the technical assistance provided by IBDS to more than 340 individuals (40% women), where about 40% became better acquainted with training materials after receiving HIN training; Seventy-five percent of entrepreneurs have shown that they have acquired more knowledge about planning and controlling their businesses and 95% indicated that they have had more customers after receiving business training with IBDS.

Tenderisation Information System

About 5,600 companies received, through

SMS or email, information about government tenders. The tenders were advertising projects for the rehabilitation of water supply and irrigation systems, supply of office supplies, purchase and maintenance of vehicles, fuel supply and cleaning services, among others.

Trade fairs and exhibitions - stand fittings

We held 3 events - Timor-Leste International Building and Construction Expo 2015; Exhibit Woodworking 2015 (Baucau) and Construction Exhibition 2016 - where 56 exhibitors, 34 foreign businessmen and 22 national businessmen were present.

These events introduced new products and technologies in the construction sector and allowed national and international businessmen to strengthen relationships between companies.

I International Investment Conference

We held the First International Investment Conference of Timor-Leste with the participation of more than 120 individuals from domestic and foreign companies. The Conference promoted the potential of our country and the opportunities of investment and export here.

TradeInvest at international events

We participated in the Macau 2016 Fair, the Franchise Fair in Macao, the 5th Ministerial Conference in Macao, and various investment and export promotion events in the Philippines, Malaysia, Singapore, China, Australia, and Portugal.

We were present at the first meeting of the

investment, export and trade promotion agencies of the Portuguese speaking countries, where the *CPLP* Countries Investment and Trade Promotion Forum was created and of which we are a member.

We were also present at the Business Forum and at the Seminar on Investment Potential that took place in Australia, Malaysia, the Philippines, China and Portugal.

Technical Cooperation Protocol

We signed a Technical Cooperation Protocol with the Union of Exporters of the *CPLP*, with MDF (Australia) and *AICEP* (Portugal). This protocol aims to develop technical capacity, share information, and promote the potential of the country for external investment.

Investment Guide of Timor-Leste

We have created the first Investment Guide of Timor-Leste, whose release was on May 21st, in a parallel event to the International Conference on the Sustainable Development Goals dedicated to economic diversification. The Guide was approved based on the international standards of Ernst and Young's International Approval Authority.

Exporters Database

We created a database where we recorded the exporters and the local products of Timor-Leste.

Attracting private investment

Through TradeInvest Timor-Leste, we have awarded 18 Investment Certificates, whose investment projects are located in the municipalities of Dili, Baucau and Liquiça, which contribute to diversify our economy

and improve the quality of life of the population and are expected to create more than 5,200 sustainable jobs.

Trilateral sub-regional economic development

Through the Timor-Leste - Indonesia - Australia (TIA-GT) Working Group, we held 3 Business Forums (Dili, Kupang and Darwin) with the participation of approximately 135 representatives of companies, cooperatives, chambers of commerce, among others, per session.

We held meetings with potential private sector investors as well as government entities, both domestic and foreign. We held the Subregional Integration Forum: Growth Triangles as the pre-phase of regional integration (ASEAN), attended by more than 100 individuals from the private business sector, universities, and members of the Government, in order to reflect on the paths of Development. We have organized 6 workshops on subregional economic cooperation and are preparing the 7th workshop, to be held next August in Dili.

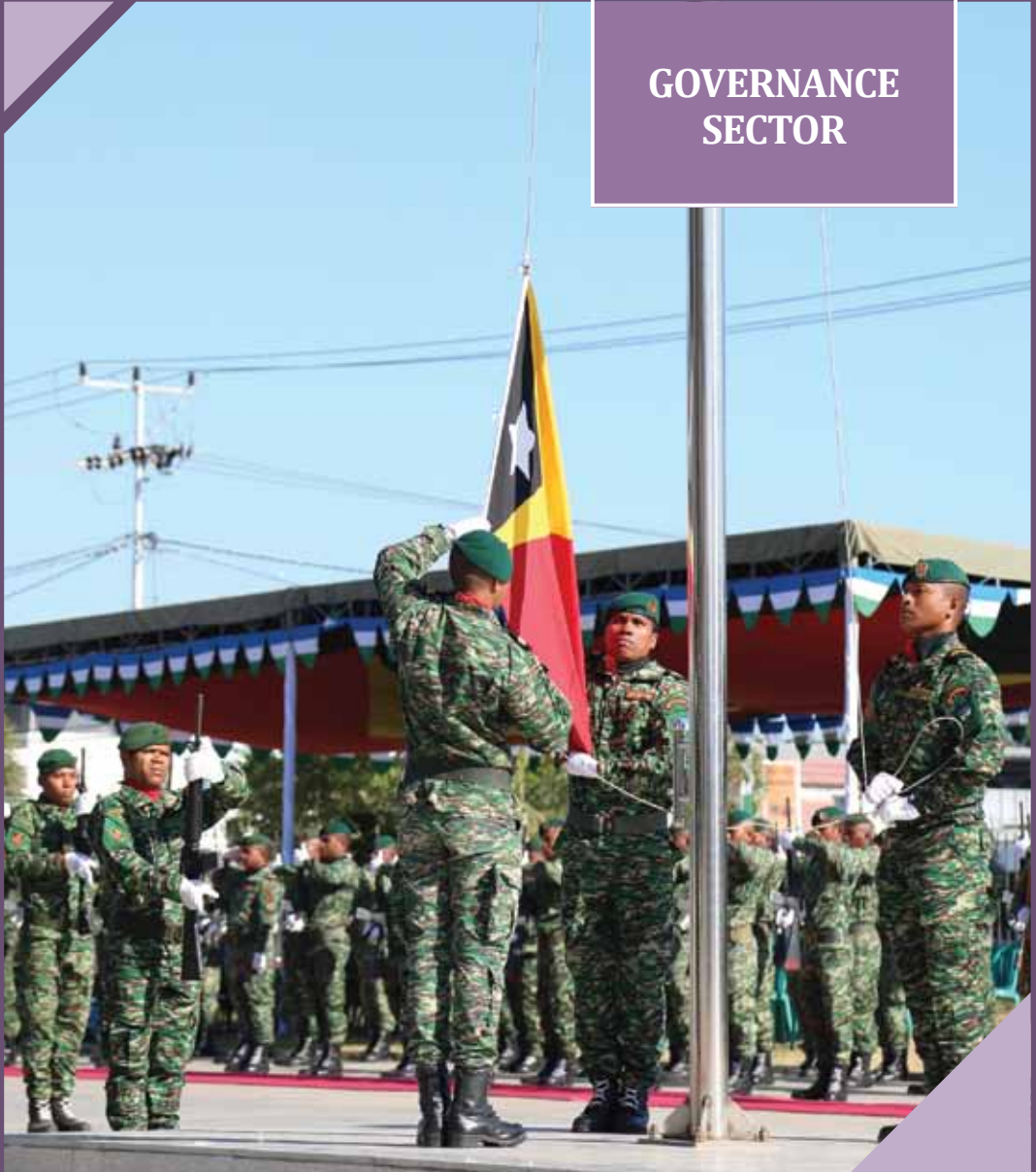
We drafted a trilateral Memorandum of Understanding for the constitution of the subregional integrated economic development platform and formalisation of the growth triangle strategy, which is being analysed by the three countries.

Good governance and a professional, capable and responsive public sector are essential for the delivery of government services. Our public sector will be the primary driver of economic growth in the medium term and will lay the foundations for our Nation's progress through and the development of our human resources the management of our infrastructure programme.



**SNAPSHOT OF THE SIXTH
CONSTITUTIONAL
GOVERNMENT MANDATE
[2015 - 2017]**

**GOVERNANCE
SECTOR**



Fiscal Reform

We have created the commission for Fiscal Reform and adopted the plan for its implementation with the main focus on tax and customs reforms. The first priority was to examine the tax base and identify potential growth and new sources of revenue. We are developing studies on tax incentives and sustainability/effectiveness of the Investment Law, and we have started a review of the taxation policy to identify gaps in the tax system. We started to prepare a framework for the introduction of a Value Added Tax (VAT), intended to be introduced in 2019.

From the revenue perspective, we have approved in the Council of Ministers: the Customs Code; the Arusha Declaration; the Law of the Tax Authority; The Customs Authority Act and a MoU between the Government and the Chamber of Commerce and Industry of Timor-Leste (CCI-TL). Pending approval by the Council of Ministers (CoM) are the Tax Law and the VAT Law. We held consultations on the draft Tax Law, the policy and legislation in the VAT area and the customs procedures Code with the Parliament, the President's Office, the private sector and civil society.

On the expenditure side, we have implemented the first phase of Budgeting by Programmes, which covered 10 government agencies and 15 autonomous services and funds within the 2017 budget. The revision of the programme and activities structure of these institutions allowed an update of the Accounts Structure and their integration into the Financial Management System. Thus, and for the first time, the connection between Plan and Budget was achieved. To support

this demanding process, we invited the OECD – Organization for Economic Cooperation and Development –, an international entity with broad expertise and reputation in this area, to assist the Government in drawing up a Roadmap of Budgetary Governance for Timor-Leste, which was presented and approved by the Council of Ministers, after a broad consultation process with Government, Commission C of the NP, Civil Society, Development Partners, Scholars, Media and Private Sector. We have also commenced the 2nd Budgeting by Programmes phase, which will cover 10 more government agencies, 8 autonomous funds and services and the 12 municipalities, for 2018's SGB.

The CoM also approved the establishment of a working group for the Management of Public Finances, which will coordinate the implementation of the Budgetary Governance Roadmap, with the first working meeting having already taken place.

In the context of the Roadmap's implementation, a joint mission from the Victoria University of Wellington and officials of the Government of New Zealand has already taken place for the production of a study that will contribute to the development of a policy paper on the benefits and costs of having the current cash basis accounting changed into an accrual basis accounting in the medium and long term.

Revenue Increase

Under the revenue growth programme, we have carried out the registration of taxpayers conducting the processes for new and current tax payers, having recorded 26,877 active and 46,312 inactive tax payers.

In the Customs Services, we adopted the new Customs Code, which compiles the 6 existing Decree laws that regulate the customs services, and we are in the process of finalising the draft Harmonization System Code from 2007 to 2017 to be submitted to the Council of Ministers. This Code deals with *flow charts*, standard operating procedures and policies for its implementation. For the implementation of the Heineken beer industry, policies and procedures, methodologies and methods of monitoring and reporting were developed.

We have also launched the pilot of the “Evaluation Report” programme in three customs agents (SDV, LEA and Naroman) with a high volume of clients, aiming to simplify trade. We have conducted a study on the time it takes the process of customs clearance, noting that from 2015 to 2016 the green channel time fell from 4.19 days to 1.37 days, while the time in the red channel fell from 5.27 days to 2.27 days.

We are developing the update of the A++ for the ASYCUDA World (AW). The programme is divided into three phases; 1) Prototype; 2) Implementation; and 3) Expansion to all systems. The prototype reached 95%, with 3 missions submitting reports containing recommendations on the implementation. The national project team, dispatchers and the shipping agencies received training on the manifesto. The implementation began in March 2017 and the AW in April 2017.

Expenditure processes improvement

In the process of decentralizing functions from the Ministry of Finance to the State’s direct and indirect government agencies, we

guaranteed the support and monitoring of the SGB’s expenditure implementation process according to each institutions’ autonomy degree, notably ministries, autonomous services and funds, and municipalities. By simplifying processes and providing greater autonomy and responsibility to the institutions, we contributed to better service provision.

Vehicles maintenance shop

The vehicles maintenance shop, which covers 12 ministerial lines, repaired 849 State vehicles. According to the performance evaluation of the workshop, the maintenance costs of the vehicles reduced by approximately 40%.

Assets inventory, registry and disposal

We concluded the data collection and identification, for the decentralisation of State assets to the 12 municipalities and we have implemented the disposal of movable assets, with 158 vehicles, 227 motorcycles, other equipment and scrap metal being sent to auction. The total value generated by the public auction was around US 635 thousand, with another public auction with more than 200 items under preparation.

Official statistics

We launched the Report of the National Priorities according to the 2015 Timor-Leste Population and Housing Census, the Third Demographic and Health Study in Timor-Leste was conducted in 2016 and the 2014 Timor-Leste Quality of Life Study.

We also produced other regular publications that can be found at the official website (www.

statistics.gov.tl), such as: the Consumer Price Index report issued regularly; “Timor-Leste in numbers”; “Municipalities in Numbers”; monthly and annual trade data; criminal statistics; biannual population registration; enterprise research and national accounts. We have also launched the Sensus Fo Fila-Fali 2015 report, in March 2017, and those results will be disseminated to the Villages.

Aid Management Effectiveness Policy

We adopted Timor-Leste’s Aid Management Effectiveness Policy, which defines how the international support for development should be given to Timor-Leste, ensuring its appropriation, alignment with Government programmes, and the promotion of mutual accountability, aiming to reach results that will improve people’s lives.

Laws and policies in the finance area

We have drafted and socialized legislation and policies in the finance area, such as: amendment to the Government Decree on the implementation of the SGB for 2016 and 2017; the 2016 Rectified Budget Law; the SGB for 2017 and the Decree law on the 13th month’s salary. We also drafted legislation in the area of public finance management; the Tax Law and the VAT Law; the Management of Public Finance professionals Code of Conduct, Competence Standards and Diagnostic Tests. We also developed Financial Regulations regarding Treasury, Budget, Resource Management and Financial Reporting to give legal support to treasury operations and governance controls, as detailed in the Treasury Manual.

Public Finance Management Training

We made a diagnostic test in Public Finance Management (PFM), to 2,600 staff, covering general areas, essential functions, specialized areas and support PFM functions and information technologies. The tests were performed for three levels: level 1 (civil servants); level 2 (heads of department/section or equivalent) and Level 3 (General Directors, National Directors or equivalent). We are developing the curriculum for training in PFM covering 7 areas, including mathematical skills, with four (4) potential Training Service Providers selected, which started to provide training in May 2017. More than 1,660 PFM professionals will receive training in this area, in order to be certified this year.

We have established a certification mechanism, “SBE – Skills Based Evaluation”, which will be implemented by the end of the year. We have developed a number of standards of competence to cover all key areas of SBE (planning, contract budgeting and management, asset and fleet management, payments, accounting and financial reporting, and internal audits), specialized areas of SBE (Customs, taxes, investment, statistics, economic policy, aid effectiveness, PPPs and loans, SIIGF) and general areas (URH, records management, administration, communication, leadership and administration).

Public Private Partnerships (PPPs)

We completed the first Public Private Partnership (PPP) project, Tibar Bay Port, in 2015. We finished negotiations mid-2016, with a Concession Agreement for 30 years

signed on June 3rd, 2016. The project aims to build an international modern and landmark port in Tibar Bay. The resettlement action plan is being implemented and the EIA studies and the detailed engineering drawings are underway. The Project Management Unit was established early 2017, with circa US 129.45 million in an escrow account, to be paid for the construction, which should start in the second half of 2017.

We are completing a feasibility study on the project for the Dili water supply and have conclude the pre-feasibility study on medical diagnoses, both in the PPP form.

Loans

We have concluded 5 negotiations for loan financing of the road projects:

- Road between Tasitolu and Tibar: we signed the loan agreement (US 11.8 million) with ADB, in June 2015, and the project has already started;
- Dili traffic flow: we signed the loan agreement (US 50 million) with the Exim Bank from China, in December 2015, and its implementation is pending Board of Auditors' decision;
- Road between Baucau, Lautem, Maubara, Carimbala, Atabae and Motain: we signed the loan agreement (US 76.22 million) with ADB, in March 2016, and its implementation is pending Board of Auditors' decision;
- Road between Manatuto and Baucau: we signed the loan agreement (US 49.65 million) with ADB, in December 2016, and the project has already started;
- Road between Laulara and Solerema: we signed the loan agreement (US 35 million) with ADB, in March 2017.

Technical Assistance Coordination Office

We have established the Technical Assistance Coordination Office (TACO) and developed all policies and procedures in anticipation of the pilot's implementation in the Ministry of Finance, to be used as a guide for the gradual implementation in four (4) governmental entities in 2017, followed by 9 others between 2018 and 2020.

Thus, we developed: a database and its Terms of Reference; the workforce plan; the operational manual; the manual of data integrity; the Operational Procedure Standards (OPS) for management and reporting of data, for the technical assistance (TA) work plan and for the counterparts training plan; the project plan aims for the incremental deployment of TACO across all government entities over a period of 5 years; and Individual Work Plans (IWPs) and Individual Capacity Building Plans (ICBPs) for all TACO staff.

Planning, Monitoring and Evaluation Unit

We have created the Planning, Monitoring and Evaluation Unit (UPMA, Portuguese acronym) with the task of coordinating, organizing and overseeing the process of planning, monitoring and evaluation of policies and programmes throughout the Government and the State Budget. The UPMA, in conjunction with all Government agencies, improved tools for planning and monitoring, having provided training in the area of planning, procurement and monitoring all entities of the State. We produced performance reports, every three months and yearly, which were submitted to the National Parliament and to the Board of Auditors.

We have made the evaluation of the 1st implementation phase of the Strategic Development Plan, covering the period from 2011 to 2015, which was presented and accepted by Government in the Council of Ministers Meeting.

As already noted, with the support of the OECD – Organization for Economic Cooperation and Development – we created the Budgetary Governance Roadmap for Timor-Leste, which was approved by Council of Ministers on 7th March 2017 and implementation is already underway.

Legislation – State Administration

We adopted a set of legislation texts to support the implementation of administrative decentralization, such as: Status of the Presidents of Municipal Authorities and Municipal Administrators; Status of Municipal Administrations, Municipal Authorities and of the Technical Inter-ministerial Group for the Administrative Decentralization; 1st Amendment to DL 6/2014, on Material Resources and Financial Incentives of Community Leaders; 1st Amendment to DL 11/2013, on PDID's Procurement Legal Regime; DL 37/ 2016 on Transitional Arrangements for the Filling of Direction and Leadership Positions of the Municipal Authorities and Municipal Administrations during the administrative de-concentration phase; and the 1st Amendment to DL 4/2012 on the Integrated Municipal Development Planning.

We also approved the legislation that creates the Working Group for the Administrative De-concentration, on the Powers of Delegation to the Presidents of Municipal Authorities and Municipal Administrators

and signed a Cooperation Agreement to develop and strengthen the friendship and cooperation relations between the citizens of the municipalities of Penafiel and Lautem.

With the aim to implement the territorial administrative decentralisation policy, under DL 3/2016, we compiled the Inter-institutional Administrative Contract of Power of Delegations with 8 government agencies (ME; MoH; MSS; MoJ; MCIE; MSA; MoPTC AND MAF) and adopted a set of legislation texts for the operation of the Municipal Authorities and Administrations, and of the Administrative Posts.

Administrative Decentralisation and Local Government

We disseminated the Decree law on the Organic Statute of Municipal Administrators and Municipal Authorities to 1,493 participants from 12 municipalities and 61 administrative posts.

We completed the Strategic Development Plan for the 12 municipalities and the process of administrative de-concentration to all municipalities.

We transferred the infrastructure and operational subsidies to more than 10,450 members of the village councils and trained 442 Village Chiefs and 442 staff to support the villages' administration.

We have presented the Integrated Municipal Investment Plan (IMDP) and provided training to municipal staff.

Electoral Administration

We registered 726,017 voters in 2015, and 746,319 voters in 2016, and updated the database of voters. We prepared the activities

for the electoral census abroad, which allowed for the registration in Portugal and Australia of 1,393 voters for the presidential elections.

In the context of presidential elections for 2017, we hired 1,121 electoral officers to support the elections across, polling stations, 850 brigades for the voting centres, 195 contractors for technical support and recruited 12 to support in administration and finance in the national and municipal STAE, including technical advisers.

We reorganized national and municipal STAE's warehouses, we built new buildings in Baucau, Lautem and RAEOA, and drew up the proposals for the remaining STAE buildings. We have organised the Village Elections, covering 442 villages, which saw the 2016 Village Council Members elected.

Land Use Planning

We have adopted the Basic Law for Land Use, with the National Plan for Land Use, and its legislation, in the final stages. The Basic Law provides for the existence of two major types of instruments of land use: the national scope and the municipal scope. Its adoption provides the guiding principles and objectives of the Administration, identifying the different public interests with territorial scope, allowing the land use planning instruments as a means of Public Administration intervention, as well as defining the typology and the goals that they must follow in the medium and long term.

Land Use Plan for Atauro Island

We approved the Land Use Plan for Atauro Island, an instrument of territorial

management essential to the economic, social development, and the sustainability and use of Atauro Island, allowing for the achievement of the objectives that underpin the creation of Timor-Leste's Special Economic Zone for Social Market Economy (ZEESM TL). The Plan sets a strategy for use, conservation and management, which enables the achievement of the sustainable economic and social development goals, and conservation and enhancement of cultural, natural and ecological heritage of that territory.

Urban Organization

We have adopted the law on toponymy for the city of Dili, the legal regime of the toponymy and the police numbering at the municipal level, the legislation on hygiene and public order, and we have disseminated the legislation throughout the national territory.

We carried out the data collection of all streets throughout all municipalities and implemented toponymical pilot projects for 3 Villages (Vila Verde, Bidau Lecidere and Bidau Acadiruhun) of Dili municipality, assigning names to approximately 128 streets (avenues, streets, lanes and alleys).

We numbered 1,559 houses and 75 streets plate in the village of Grincefor, Colmera and Motael, in the city of Dili.

We implemented the draft street plates in the Administrative Post of Dom Aleixo and Vera Cruz, and in 8 villages in the municipality of Dili.

We ran the ditch and drainage cleaning programme in 16 Administrative Posts and the Village Fund for Urban Cleansing in 31 Villages, benefiting 667 people throughout the national territory.

We maintained 13 public gardens and installed 16 garbage containers in the city of Dili.

We supported the implementation of 21 projects, especially for the construction of rural roads, installation of drinking water, construction of irrigation and other small scale infrastructure for climate change, funded by UNDP-SSRI (*UNDP Small Scale Resilient Infrastructure Project*), with a budget of over US 4 million, which benefited the communities in the municipalities of Baucau, Ermera and Liquiça.

Preservation and conservation of historical value documents

We have identified, classified and took stock of 996 linear meters of documentation from the Indonesian Administration and Portuguese Funds. We scanned 996 linear meters of documents for the permanent archive.

We signed a Cooperation Protocol in the area of Archival Heritage with the Government of Portugal (Torre do Tombo, University of Porto and University of Coimbra) which will contribute to the transfer of knowledge and training in matters pertaining to archives and scanning documents related to the common history between the two countries. In June of this year, 10 technical staff will receive preservation and conservation training.

Public Administration Reform Guide

We adopted the Public Administration Reform Guide that is based on four core pillars: institutional strengthening, strengthening of public function, reform and training of INAP (National Institute for

Public Administration) and strengthening of the State's administrative, financial and patrimonial management control through the General Inspectorate of the State.

For each of the pillars, we adopted a set of laws and measures that will enable better services provision and the strengthening of State institutions, among which includes: the Decree Law on the Standard of Competencies for the positions of Director and Senior Managers in the public service; the Decree Law on the attribution of awards in the public service; and the Senior Professionals Regime and the Public Administration Workforce Diagnostic. We adjusted the salaries of officials of the Civil Service Career Regime and, by the end of the year, we will implement skills development programmes for all senior managers as one of the requirements for career progression. We hold regular meetings with the General Directors as implementers of Government policy.

Legislation Compilation – Public Administration

We produced and distributed 4,000 copies of the legislation compilations, composed of 4 volumes, with the compilation of legislation passed from July 2012 to July 2015. These publications have already been distributed to all municipalities, in order to reach all administrative posts and villages, and increase citizens' knowledge of the laws.

The Strategic Plan of the Civil Service Commission “CSC” 2015 - 2030

We are preparing the Strategic Plan of the CSC 2015-2030, which is in the process of consolidation, and will be ready by the end of

June, it will serve as a reference for the entire Public Administration.

Review/Drafting of the Regulatory Framework of the Civil Service

We approved the General Careers Scheme; the Leadership and Management Positions Regime in the Public Administration; the Distinctions and Awards in the Public Administration; the Payment Procedures of Civil Servants; the Careers Regime of Senior Professionals in the Public Administration; the Rules and Conditions for the composition of the jury of recruitment, selection and promotion of personnel; the functional competencies of Human Resource managers of the Civil Service and the Process for merit selection for positions of leadership and management in the Public Administration.

SIGAP

We concluded the module design of SIGAP's (Portuguese acronym for Integrated Management System of Public Administration) system, aiming to create faster, transparent, more efficient and effective services, across the institutions using this recruitment system.

Civil Service workforce diagnostic

We diagnosed the Civil Service's workforce aiming to evaluate and upgrade the institutional capacity regarding the number and placement of staff and agents, as well as the quality of their performance. The diagnostic will enable CSC to determine the strategies for the administrative reform and the appropriate profile of staff in each institution of Public Administration.

The diagnostic was carried out for all State institutions (total of 52) and the Special Regional Administrative Oe-cusse Ambeno Authority (RAEOA). Of these, 25 institutions have already submitted their reports for consideration, with the RAEOA nearing completion. We also reviewed the format of the Personnel Map for 2018.

Standard of Competencies for positions of Directors and Management in the Civil Service

We have adopted and are implementing the Standard of Competencies for positions of Directors and Management in the Civil Service, which is an integral part (Annex) of DL 25/2016 of June 29th - "*Regime of leadership and management positions in Public Administration.*" We also carried out the validation of the standards of competence typification, with the participation of holders of Leadership and Management positions of the Public Institutions.

Remuneration system - Remuneration Adjustment

We adjusted the salaries of civil servants of the General Careers Regime in order to readjust the wages of these workers by the inflation accumulated since 2008, and taking into account the adoption of the contribution to the pension and retirements scheme.

National Dress of the Civil Service

We approved the national dress of the Civil Service aiming to dignify the Civil Service, highlighting the high spirit of nationalism and contribute to the development of esprit de corps among civil servants.

Civil Servants Booklet

We have adopted the civil servants booklet, which contains all the information related to their functional life, from recruitment until the end of their career. 2,000 booklets have already been printed and distributed, and another 1,500 have been printed.

Performance Review

We continue to implement the process of coordination and consolidation of the performance review process of more than 34,000 civil servants and agents of the Public Administration, including records in the database and consequent progression in the careers of both general and special regimes in force in the Civil Service.

National Institute of Public Administration

We held training courses in various areas of management and finance, general management, leadership, planning and monitoring, protocol, languages, computer and archive, among others, that benefited more than 4,600 civil servants.

We granted 313 scholarships to civil servants to attend courses of DIII (56 people), Degree (1 person) and Masters (256 people).

We also provided study support to 261 people: 253 civil servants and 8 INAP staff.

Diagnostic for institutional strengthening

We diagnosed, for institutional strengthening, seven Government agencies (MoPWTC, MH, MAF, MCIE, SEPFOPE, MSS and PNTL) and presented the results to approximately 420 people. We produced 600 books on the results, identifying 24

recommendations and 8 concrete proposals, which were disseminated to Government institutions and the National Parliament.

Institutional strengthening policy

We adopted the institutional strengthening policy and held seminars for its dissemination to approximately 1,000 participants. The strategy for implementation of the institutional strengthening policy was also adopted.

Course on local governance

We administered the Basic Course in Local Governance to 160 civil servants in leadership and director positions, in 8 municipalities (Aileu, Ermera, Bobonaro, Baucau, Viqueque, Lautem, Manatuto and Liquiça) and we also delivered the same course to 177 employees who do not occupy these positions. The Basic Course in Local Governance module – Incorporated Participatory Planning has a duration of 5 days (40h).

We also carried out a pilot of the Advanced Course in Local Governance to 19 civil servants, who do not occupy leadership or directory positions, in Liquiça.

Control of public institutions

We audited, inspected and investigated 45 public institutions in Dili and produced the respective reports.

Inspectors and auditors training

We have trained 70 inspectors and auditors, from the IGE, IG and ministries, with certification in Qualified Internal Audit.

Corruption prevention activities

We carried out training on “Good governance and prevention of maladministration

in Public Institutions” to 613 health professionals (F: 213 and M: 400) throughout the national territory.

We took part in the Sixth Annual Conference of OECI-CPLP, where the amendment to the Guidelines for Best Practices for the Prevention and Fight of Corruption in the Public Administration was adopted. We held in Dili, the 7th Annual Conference of the Strategic Internal Control Bodies of the CPLP (acronym in Portuguese: OECI-CPLP), we approved the Guidelines for the Control of Public Procurement Procedures and the Guidelines for OECI-CPLP’s Activity and signed the commitment to host the Annual Conference of OECI-CPLP in Timor-Leste.

eGOV Portal for the PALOP-TL

Together with the PALOP countries, we joined in the design and management of an electronic governance portal aiming to improve the interaction of Governments with citizens and provide quicker access to public services, through digital technologies. The Portal is accessible on <http://www.pasp-paloptl.org>.

Information and Communication Technologies, and Electronic Government

We developed and adopted the National Policy for Information and Communication Technologies and created the Institute for Information and Communication Technologies that will have the task of managing the IT network of the Government and other public entities, aiming to modernise the State and to improve the operation and the provision of public institutions’ services.

Meetings of the Council of Ministers

We had approximately 105 meetings of the Council of Ministers (81 ordinary and 24 extraordinary), giving legal support and coordinating the legislative process. We approved approximately 290 legislation pieces.

Government Portal

On the Government institutional website, and the official communication channel, we published approximately 2,200 publications in three languages (Tetum, Portuguese and English), including news, speeches and documents. Throughout the mandate, the Government Portal received approximately 821,297 visits, an average of 6,272 visits per week, from visitors from 225 countries. We also received more than 420 contacts and/or requests for information on different areas.

Government Press Releases

The Government, through its Spokesperson and other official communications, communicates to the population its actions and activities in different areas. During the term, we published and broadcasted approximately 275 releases by the Spokesperson and 138 Press Releases from the Presidency of the Council of Ministers, which focused mainly on the outcome of the meetings of the Council of Ministers and other information of a legal nature.

CEFTEC

In 2015 and 2016 we carried out the Training Course in Communication and Media (National Qualification certified by INDMO), with 5 training units, for 68 trainees

(F: 31 and M: 37) and the Training Course of Communication and New Technologies, 7 training units to 107 trainees (F: 43 and M: 64). In 2017 we have a total of 173 candidates in both courses. The trainees who attended the courses are public servants, contracted workers, employees from the private sector and higher education students who develop activities related to the communication area.

Nacional Press of Timor-Leste (NPTL)

We have created the National Press of Timor-Leste, which will replace the National Graphic. This institution will also provide services of graphic design and production to private entities. In the context of its restructuring and modernisation, we invested US 5 million with high technology graphical equipment. We have issued 3,743 acts in the Official Gazette (JR – *Jornal da República*); we produced 6,525 JR; 3,243 books; 25,000 newspapers and magazines; 73,700 identity cards, 85,409 other products and, for the first time, we printed ballot papers and electoral register for the presidential elections of 2017. The products sold enabled NPTL to collect approximately US 45 thousand.

Legal Compilations

We produced 3,000 legal compilations that were distributed by all sovereignty bodies, Government members, General and National Directors and the National University of Timor Lorosa'e.

Legal library of NPTL

To support and promote the Government's legislative policy, we installed and equipped the Legal Library of the National Press

of Timor-Leste (NPTL), which is fully operational and open to the public.

Support for Parliamentary Affairs

We gave support to the 148 plenary meetings, 173 committees meetings and 68 parliamentary benches meetings.

Dissemination of the National Parliament affairs

We have put together content for 72 editions of the programme "*Habelar informação, hametin desenvolvimento, haburas democracia*" in the Community Radio centre, we had 77 interviews with members of the Government, Members of Parliament, national directors and civil society, in order to provide the public with information and the possibility to participate in the political life of the country.

Civil Society Support Unit

We have supported, through the Civil Society Support Unit (CSSU), 228 community (in the fields of training and educational information, social and technical, cultural, health, agriculture/horticulture) and religious (academic and technical training of human resources, education, pastoral support, the implementation of infrastructure, support in the context of social action and humanitarian support/charitable activities) projects in 13 municipalities. The projects, financed with over US 28 million, contributed to the development of social-educational, cultural and economic patterns, which promote the improvement of the living conditions of communities, in particular, of those most in need.

Sustainable Development Goals (SDG) Workgroup

We have created the Sustainable Development Goals Workgroup that incorporated the Sustainable Development Goals, approved by the National Parliament, into the Government policies, action plans and budget. We have established as a priority, for the year 2017, Goals 2 (food security and nutrition), 4 (basic education) and 9 (Infrastructure) and allocated 36% of the budget for programmes related to these, and another 25% of the budget for other SDG objectives.

We also organised the “International Conference on Agenda 2030: Roadmap for the Sustainable Development Goals in Fragile and Affected by Conflict States” where we adopted the “Roadmap for the implementation of Agenda 2030 and the Sustainable Development Goals”, reflecting the government’s commitment to the implementation of the new Agenda of the United Nations, and agreed on the Dili Communiqué, where some of the main themes addressed in the discussions that took place at the conference are reflected.

Social Audit Unit

We created the Social Audit Unit to streamline the relationship between Government, Civil Society Organizations and the society in general, and to carry out social auditing activities in the areas of education, health, basic infrastructure and agriculture. We registered 116 cases, having successfully handled 97, with 19 still in process.

We held the 1st National Conference on Social Auditing, attended by approximately 130 people, and a national workshop attended

by more than 200 people. We also signed a Memorandum of Understanding with FONGTIL.

Council for the Final Delimitation of Maritime Boundaries

We established the **Council** for the Final Delimitation of Maritime Boundaries so that there can finally be a definition of maritime borders, a priority, so we may achieve full sovereignty of our maritime territory. We launched the Portal of the Maritime Boundary Office: www.gfm.tl.

We started the Compulsory Conciliation process with Australia under the UN Convention on the Law of the Sea (UNCLOS) and, in January of this year, both Governments agreed to negotiate a permanent maritime border. We organised in Dili the International Conference on Maritime Boundaries and launched a Policy Paper on Maritime Boundaries of Timor-Leste. In August 2015, we agreed with Indonesia to promote bilateral discussions regarding land and maritime boundaries. These discussions are still ongoing.

Support for Veterans and Combatants of National Liberation

We have created a health services unit in HNGV to provide medical services to Veterans and Combatants of National Liberation.

Commemoration of ANZAC Day

More than 100 Veterans and Combatants of National Liberation of Timor-Leste, respectively the Armed Front, Clandestine Front and Diplomatic Front, took part annually in the ANZAC Day ceremonies, in

Sydney, Perth, Australia, Adelaide, Brisbane, Melbourne, Hobart, Townsville and Darwin. Likewise, the RSL (Returned Services League) took part in the celebrations of FALINTIL Day in Dili. The VCNL had an opportunity to become familiar with the structures of all levels of the RSL, shared historical and organizational experiences and exchanged and deepened friendship ties between both organizations.

Veterans National Conference

In March 2016, we organised a Veterans National Conference attended by more than 600 Veterans and Combatants of the Liberation of Timor-Leste, from the resistance structures of 5 regions as well as the external front (Macau, Portugal, Sydney and Melbourne).

The draft Decree law establishing the Council of Combatants of National Liberation, approved by the Council of Ministers in January 2017, was discussed and approved at this conference, which also resulted in the proposal to create a National Veterans and Combatants of the National Liberation Day on March 3rd. This proposal has already been passed by the National Parliament.

Timor Awakening

The *Timor Awakening* programme – a joint initiative of the “Veterans Care Association”, the Queensland RSL and the Office of the Prime Minister – comes to address the problems faced by Australian veterans in a post-war situation. Timor-Leste was chosen as a place of possible psychological cure for Australian Veterans with stress problems, especially those who have been in the

country during the INTERFET period.

The programme began in July 2016, with 4 visits already completed (Dili-Baucau, Viqueque-Manufahi, Aileu-Liquica and Maliana-Bobonaro). These visits covered 7 municipalities and 10 administrative posts, all places of historic value related to World War II and with the national liberation struggle.

Monument in honour of the Australian Forces for Peace Maintenance

The government has donated US 100,000 to the Australian Government for the construction of a monument in honour of the thousands of Australians who have served in wars, conflicts and peacekeeping operations, including in Timor-Leste. The monument will be inaugurated on September 14th, 2017 (70th anniversary of Australian Peace Maintenance Forces), in Canberra.

This monument is a symbol of partnership for peace between both Governments and represents also the close relationship between the Timorese and Australian peoples, acting also as an element of great importance for historic tourism, both for Australia and Timor-Leste.

Dissemination of culture – Veterans

We have produced a book that illustrates the visits made by VCNL, in 2015, to 6 Australian States and produced 1,000 copies, some of which were distributed by the RSL to its members.

We are preparing a CD with songs from the Resistance, which will be recorded with the band of the Association of Veterans and Combatants of National Liberation of Timor-

Leste, together with the Timorese group “Sol Nation” (based in Melbourne) and a Timorese musician living in Sydney. 1,000 copies of this disc will be produced.

Post-CAVR Technical Secretariat

In the framework of support to Government to continue the national and international dissemination of the final report prepared by CAVR, the Post-CAVR Technical Secretariat produced 1,000 *CHEGA!* reports (5 volumes) in Indonesian, 1,200 copies in English and 1,000 in Portuguese.

750 copies of the report in Indonesian were distributed throughout the Indonesian territory (Government agencies, libraries and civil society organizations) and 250 copies in the whole national territory (12 cities, 13 administrative posts and 24 villages), and also to Government institutions, universities and religious institutions. The reports in English (600 so far) were distributed in Timor-Leste, by Timorese embassies abroad, by international human rights organizations and by Australia, Thailand and the Philippines. The reports in Portuguese will be distributed throughout the *CPLP* countries, expected before the end of the legislature.

Permanent Secretariat of the Inter-Ministerial Security Commission (SpeCiS)

We set up the Permanent Secretariat of the Inter-Ministerial Security Commission (SpeCiS) which coordinates the Integrated National Security System (SISN) through the Inter-ministerial Security Commission (CIS). Within the framework of its coordination tasks, the Strategic Concept for Defence and Security was approved; the structure of the

Maritime Authority and of the National Civil Protection Authority was established; the Working Group on Human Trafficking and the Working Group on Martial Arts were revitalized; the Strategic Plan of the National Intelligence Service and the structure of SISN was completed by establishing the Integrated Crisis Management Centre.

The SpeCiS, through the social audit mechanism, contributes also to the discussion and monitoring of Civil Society activities in the area of national security, and contributed also to the recent approval of the Decree on Martial Arts and Weapons and giving continuity to the practice of the philosophy of community policing (visibility, engagement and professionalism).

Ensuring national sovereignty

In order to ensure national sovereignty, we have ensured the daily presence of approximately 250 members of the F-FDTL, throughout the national territory. The F-FDTL elements performed patrol operations and in support of the population, provided support to the security forces and services and to local authorities, carried out maritime patrols and supported the strengthening of the surveillance along the border, in support to security forces.

“Hanita Operation”

The F-FDTL participated and led the “Hanita Operation” in order to ensure internal order. The operation ran for 6 months (March to August 2015) in the Baucau region and had the participation of about 600 members of the F-FDTL.

F-FDTL's tactical and operational infrastructure and equipment

We completed buildings for the Support and Service Component (CAS), the Training Component (CFT), the Ataúro military post and the kitchen and cafeteria for CAS in Metinaro. We completed the third phase of the construction of the Military Police post in Dili, and we began the construction of the military post of Oe-cusse Ambeno.

We purchased 12 Isuzu tactical vehicles, machinery, engineering trucks and individual equipment for all staff (canteens, uniforms, backpacks, and others). We received 3 trucks from the Ministry of Planning and Strategic Investment.

Integrated National Security System (SISN)

Under the Integrated National Security System, and supporting and strengthening security forces, we carried out patrols during the periods of large national events, supporting elections and others activities with a special focus on the action of martial arts groups.

UN Peacekeeping Operations

We sent 3 military staff to join the mission of military observers in the peacekeeping mission of the United Nations in South Sudan (UNMISS). The participation in this mission represents the contribution of Timor-Leste in peace building in South Sudan, contributing also to the projection of our country and the strengthening of international credibility.

Support to local populations

Through the F-FDTL we supported the people contributing to the improvement of

education (Dili and Ermera) and hospital (Liquiça) facilities. We provided medical and health support to the populations, facilitating the visits of the MERCY (Pacific Partnership) and the “Gatot Subroto” Indonesian hospital ship, which allowed the holding of medical appointments and examinations to approximately 1,500 citizens, management personnel and the F-FDTL.

Combined International Exercises

We took part in the AACAP exercise, in Australia, with 30 soldiers of the Engineering Company in support of indigenous populations, and in the FELINO exercise of CPLP, in Portugal and Cape Verde, which contributed to the increase in the training of F-FDTL and the strengthening of bilateral and multilateral relations with partners.

National Defence and Security Strategic Concept

We adopted the National Defence and Security Strategic Concept that defines the fundamental aspects of the State's overall strategy for the fulfilment of the National Defence Policy objectives, within the framework of the National Security Policy.

Special Forces Unit

We began the study for the creation of a Special Forces Unit and drafted its status, which is awaiting approval by the Council of Ministers.

Support the State's foreign policy

In the context of Defence diplomacy, we took part in international defence and security forums (Shangri-La Dialog, Xiangshang Forum, Tokyo Defence Forum), cultivated

multilateral relations in the sub-regional level of ASEAN and CPLP, participated in various seminars and meetings of the ASEAN Regional Forum, and we welcomed the 18th Meeting of Ministers of National Defence of the CPLP. We also carried out several official visits to friendly countries (Brazil, Indonesia, Japan, Malaysia, Indonesia, People's Republic of China, Republic of Korea). Finally, in the framework of bilateral defence relations, we received the visits of ships from France, the People's Republic of China and Japan, in addition to the already mentioned USA and Indonesia. In support of foreign policy, the strengthening of bilateral relations in the area of defence, between Timor-Leste and other countries is a contribution to the regional architecture of security, peace and regional stability and for the projection of Timor-Leste.

Agreements in the area of defence

We signed two agreements for implementation in the area of defence, with Japan and China. We signed in May 2017, the new Framework Programme for Technical Military Cooperation between Portugal and Timor-Leste. Different agreements with China, the Philippines, Indonesia, and Malaysia are currently under negotiation.

Military Training

We gave training to staff and troops through the Initial Soldiers Training Course (F: 29 and M: 208); Corporal Promotion Course (30); Superior Officer Training Course (16); Qualification Courses (General Staff) with 3 participants; Specialization Courses (Course of Combat in Built Up Environments,

Courses of Peace Supporting Operations - elementary and advanced, Safety Courses, Leadership Courses and Communications), with 183 military personnel participating. We also trained abroad, in countries with which we have cooperation agreements (Australia, Brazil, China, the United States, Japan, India, Malaysia, Indonesia, South Africa, New Zealand, South Korea), a total of 250 military personnel in many areas of military knowledge (military academy, electronical engineering, officers training, peace operations, diving).

Military Exercises

We made 6 joint exercises (involving several components) and internal for each component, with the purpose of training different types of military operations and show the presence of the armed forces, through contact with the populations and looking to improve their conditions. From these we highlight the exercises in the COBRA, MATE BIAN, TUBARÃO and the Marines Camp exercise series. We also carried out 5 combined exercises (involving Australia, the United States of America, Japan and New Zealand) to improve F-FDTL's capabilities in several areas: naval operations, land operations and operations to support the population. We highlight the exercises CROCODILO, HARI HAMUTUK AND PACIFIC PARTNERSHIP, CARAT. The internal, joint and component exercises are mainly intended to develop the skills and tactics of the forces, in order to ensure the capability to carry out the assigned tasks. The exercises to support the population are exercises that have activities planned and implemented to improve the

quality of life of the people (improvement of sanitary facilities, schools, clinics or medical centres, communication routes, facilities on military bases, among others).

Promotion to Senior Officer Course

We made the 2nd Promotion to Senior Officer Course (CPOS) for a total of 16 students (F-FDTL: 10 and PNTL: 6), contributing to the development of strategic thinking and to qualify human resources of the armed forces and security services.

The 3rd CPOS began in March, and a total of 19 trainees, 10 of the F-FDTL and 9 of the PNTL are attending. Taking into account the course plan, currently the students are taking the first two units: Intensive Course in Portuguese Language and the Course of Information Technologies and Communication.

National and international conferences on Defence and Security

We have organised the 2nd cycle of conferences on the theme of “National interest, sovereignty, and development: the sea as a strategic resource for Timor-Leste”, which included 10 lectures. We were also co-organizers, along with MFAC and UNTL, of the lectures on “Peace and International Security Operations” and “International Law of the Sea”, which enhances the knowledge of these issues.

2nd Basic Joint and Integrated General Staff Course

We carried out the 2nd edition of the Basic Joint and Integrated General Staff Course for 4 officers of the F-FDTL, 5 officers of the PNTL

and 4 civilians from public administration institutions.

Strategic Information Management Course

We have organised, in partnership with the Institute of Social and Political Sciences (ISCSP) at the University of Lisbon, the first edition of the Strategic Information Management Course, which was attended by 17 students from F-FDTL and PNTL, Presidency of the Republic, General Prosecutor’s Office of the Republic, Customs Directorate, Civil Protection and Ministry of Defence.

1st Course on National Resilience

We carried out the 1st edition of the Course on National Resilience (CRN) with 40 students (heads of Public Administration and young cadres of the Public Administration) and we are currently preparing the 2nd edition.

Infrastructure for the Timor-Leste’s National Police (PNTL)

We built 4 social housing neighbourhoods, for housing the PNTL officers and their families (200), in the municipalities of Ermera, Manufahi, Liquiça and Oe-cusse Ambeno. The construction of the social housing in Aileu has reached 57% progress, and is expected to benefit 50 families. We also completed the construction of 6 support buildings for accommodation at the District Police Command of Manufahi, benefiting 12 families. We built 4 new buildings in the District Police Commands in the municipalities of Baucau (2) and Lautem (2) to assist the PNTL in fulfilling its mission.

We have strengthened the transmissions and communications capability between

units and services with the start of the construction of 5 transmissions and radio communications towers in the municipalities of Dili (Ataúro), Lautem (Tutuala), Manatuto (Laclubar), Bobonaro (Lepho) and in Oecusse Ambeno (Passabe), which will enable improving prevention and the development of operations.

This program was funded with more than US 5.5 million.

Video Monitoring System

We have implemented the video monitoring system in Dili, operated and monitored by PNTL's Operations National Command. This system integrates 50 video surveillance cameras placed in 45 strategic points in the capital of the country. With this system we have strengthened the ability for crime prevention and traffic monitoring as it allows for the monitoring in real time images that can detect any event or incident and get to know their causes, contributing to improving security with a preventive character.

Community policing

We have put 117 Police Officers across 442 villages, throughout national territory, duly equipped with 320 motorcycles and 442 computers.

PNTL's training courses

We carried out two training courses for PNTL officers and we have trained and incorporated in PNTL a total of 516 new agents.

We have drafted and adopted the Regulation of the Entrance Test to the PNTL's Sergeant Training Course and held the first admission test to the PNTL's Sergeant Training Course,

which was, aiming to fill 157 vacancies for the post of Sergeant, we selected 114 suitable candidates, from a pool of 1349 candidates, to start the 1st PNTL's Sergeants Training Course.

We drafted and adopted the Training Programme, the Curriculum Structure and the Regulation of the PNTL's Sergeant Training Course, and held the 1st PNTL's Sergeant Training Course, with the presence of students from other Member States of the Community of Portuguese-Speaking Countries (*CPLP*), namely from Guinea Bissau and São Tomé and Príncipe.

With the completion of this Sergeants Training Course, not only did we train 107 new Sergeants of the PNTL, but also contribute to the training of 7 Security Forces Sergeants of other *CPLP* Member States, notably 4 from São Tomé and Príncipe and 3 from Guinea Bissau.

Controlling and monitoring of entries, stays and exits of citizens to and from Timor-Leste

We updated the documentation related to the control and monitoring of entries, stays and exits of citizens to and from national territory through the production of new visa stickers, entry and exit forms, and receipts of fees charged.

National Action Plan (NAP) - Gender

We launched the National Action Plan (NAP) on the UN's Security Council Resolution 1325 on Women, Peace and Security and carried out activities of information dissemination in 8 municipalities and the RAEOA with a total of 727 participants (F: 248 and M: 479). We also

carried out awareness activities regarding the PAN's questions on gender-based violence in 6 municipalities and the RAEOA, attended by 423 people (F: 163 and M: 260).

4th Meeting of Ministers of the Interior and Internal Administration of the CPLP

We took the presidency and organized the 4th Meeting of Ministers of the Interior and Internal Administration of the CPLP. In this context, we also held the 10th Meeting of the Council of Chiefs of Police of the CPLP, the 11th Meeting of the Council of Directors of Migration, Immigration and Borders of the CPLP and the 4th Meeting of the Council of National Commanders/National Directors and Presidents of Public Safety/ Civil Protection and Fire Brigades of the CPLP.

We adopted the Dili Declaration, with many decisions taken in three main areas: Police; Migration and Borders; and Public Safety, Civil Protection and Fire Brigades.

Counterterrorism Measures

In order to have a structure capable of providing qualified and effective answers to current responsibilities in combating terrorism, we created the Antiterrorism Section (SAT) in PNTL's Special Police Unit, intended specifically for tactical intervention and operations in combating terrorism. 23 elements of this Section received training in Portugal, attending the course of counterterrorism taught by the GNR.

Road Safety

We created the National Directorate of Road Safety, within the structure of the Ministry of the Interior, as the responsible service for

planning, coordinating and implementing the National Policy of Prevention and Road Safety, as well as the application of the road and offence liability law.

We carried out the Diagnostic of Road Safety, which enabled us to identify the key challenges existing in the context of prevention and road safety and outlined actions to take, particularly in terms of legislation harmonisation, drafting of a new Road Law and supplementary legislation, as well as the drafting of a National Plan for Prevention and Road Safety.

We carried out 22 awareness raising and information on the prevention and road safety activities for the community in general, covering also the school community, including 2,136 students of primary and pre-secondary, secondary and university education (F: 1,144 and M: 992) in 7 municipalities and the RAEOA.

Regarding accidents' prevention and lane discipline in Timor-Leste, we sent a total of 240 members of the PNTL to traffic duty serving in the District Commands of this Security Force, spread throughout Timor-Leste.

Legislation – Internal Security

We drafted and adopted a set of laws relating to internal security: the Organic Law of the Ministry of the Interior, with the creation of new entities, including the National Civil Protection and the National Office of Road Safety; the Regime for appointment and placement of liaison officers in the Ministry of the Interior and the Regime for the participation of Security Forces and Services and Agents of Civil Protection in international missions; the Regulation for Merit Assessment of PNTL officers for selection promotion

purposes; the approval of qualitatively and quantitatively breathalysers, for the control and supervision of traffic; and the Regime for controlling the movement of vehicles, at the entry and exit from national territory, not subject to any customs regime.

We've put together the new Migration and Asylum Law, with a new policy regarding the allocation of visas and residence permits; the normative framework that establishes the national measures necessary to comply with the obligations under the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their destruction; and we have started the preparation of the Status of PNTL members, the new Disciplinary Regulation of the PNTL and its new structure.

We also worked in the drafting of the strategic defence and national security concept and the legal regime concerning the practice of martial arts, rituals, sharp-edged and blunt weapons ("armas brancas"), *rama ambon* and fifth amendment to the Criminal Code.

Safety Equipment

We acquired safety equipment for the PNTL, within the framework of the Security Operations for the presidential and parliamentary elections and also for the prevention of crime and maintaining public order, contributing to an environment of stability and security. We spent US 2.5 million in safety equipment.

Civic education and community conflict prevention

We also carried out 11 civic education actions on the dangers of drugs, alcohol, human

trafficking and domestic violence, directed at students from 10 secondary and 1 pre-secondary schools in the municipalities of Dili and Baucau, with 1,586 participants (F: 743 and M: 843). We mediated 122 cases of conflicts in the community, throughout the national territory, benefiting 3,256 people (F: 1,149 and M: 2,107).

Civil protection

We created the Civil Protection National Authority, in the organizational structure of the Ministry of the Interior, as a central agency with the mission to plan, coordinate and execute the Civil Protection policy, particularly in preventing and responding to accidents and disasters, in protecting and rescuing populations, in defining, planning and coordinating national needs in the area of emergency civil planning aiming to cope with crisis situations, in the supervision of legal provisions in the civil protection arena, as well as directing the activity of the fire department.

We drafted a Special Civil Protection Emergency Plan for the adverse conditions caused by El Niño, and held a Decision Exercise, with the participation of several civil protection agents, within the context of the response Government should prepare to face the adverse conditions caused by that climate phenomenon.

We acquired equipment for the fire department, namely: 1 ATP vehicle, 3 ATM vehicles, 2 PSL vehicles, 3 ladder vehicles, 1 command vehicle and 7 motorcycles to increase its operational capability.

We also dug 3 water wells in the city of Dili, in Comoro, Taibessi and Becora.

Scientific Police for Criminal Investigation (SPCI)

We have strengthened the effectiveness of the criminal investigation with the deployment of SPCI and held the 2nd Criminal Investigators Course in partnership with the Portuguese School of Judicial Police. Currently, in the area of criminal investigation, we have 37 investigators and 9 chief investigators, and in forensic, 4 senior laboratory specialists and 25 laboratory specialists. Currently there are 30 candidates attending the criminal investigator course at the Portuguese School of Judicial Police, whose term is scheduled to be completed in August 2017.

Legislative Reform and Justice Sector Commission

We have created the commission for the Legislative Reform and Justice Sector Commission (Portuguese acronym: CRL) to adapt and develop legislation in priority areas, including the justice sector. With this purpose in mind, we conducted a survey of the legislative framework in force, by sector; we carried out a preliminary evaluation of the judicial application of the Law Against Domestic Violence, we carried out a diagnosis on the systems of conflict resolution and developed studies and surveys of specific rules of criminal, civil and commercial law, following the legislative proposals under way and undertaking some comparative studies. We produced and published several expert reports on those areas, from which we drafted a Report on the Legislative Analysis and of the Justice Sector of Timor-Leste. In addition, we also produced three monthly reports and a final evaluation report.

At the end of the term, we presented a draft Public Policy and Strategy of the Legislative Reform and of the Justice Sector, which contains the foundations of the agenda and programme for the reform to be implemented in the short, medium and long terms.

We have worked in collaboration with international research institutions, such as the Social Studies Centre of the University of Coimbra (Portugal), the University of Leiden (Netherlands) and DFAT in terms of technical assistance, as well as national institutions, such as UNTL, and also the protocols concluded with civil society organizations in the formal and informal justice area.

CRL's Portal

We have created the Portal of CRL at <http://www.crl.gov.tl> to make information more accessible to the public. The Portal provides information about the activities of the CRL and is, at the same time, an electronic organized archive.

Strengthening the legal framework of the areas of Justice and Law

We adopted in the Council of Ministers a set of laws establishing structures for the sector of justice, among which stand out the law establishing the special arrangements on the ownership of immovable assets (called the "Land Law" / "*Lei das Terras*"), the Law on Combating Trafficking in Persons, the Law to Combat Illicit Drug Trafficking and Consumption, the Law on the procedure for Granting the Pardon, the Law on Expropriation in the Public Interest, the New Passport Regime, the New Regime of the Public Defender's Office, the Regime for

the Use of Official Languages of the Justice Sector, and the Regime for Training Activities of the Legal Training Centre. The “Land Law” was recently, in early June, promulgated by the President of the Republic.

Law establishing the Special Regime on the Ownership of Immovable Property [Land Law]

We have adopted the Law establishing the Special Regime on the Ownership of Immovable Property (called the “Land Law”), which is a fundamental law to guarantee the rights of citizens and an anchor for the development of the country, bringing greater certainty and legal security to the ownership of rights and to its legal trade. This law will identify and assign the first property rights on immovable property, recognize the earlier rights deserving legal protection, and thus ensure distribution and access of rights on immovable property.

Law of Expropriation for Public Utility

We have adopted the Law of Expropriation in the Public Utility, published under Law No. 8/2017, of April 27th, governing the terms on which the State, for reasons of public interest, through the constitutional principles of legality, equality and the payment of a fair compensation, may proceed with the expropriation of immovable property located in private property. The law limits the expropriation to strictly necessary cases and further establishes clear criteria for determining the fair value of the compensation to be paid.

Electronic Passport

We adopted and implemented the new Electronic Passport of Timor-Leste (Portuguese acronym: PETL), with the main objective of strengthening the security of official travelling documents. The PETL conforms to the highest international standards regarding the security of travelling documents. Between 2015 and 2017, before implementing the new PETL, the Ministry of Justice through DNRN issued approximately 37,194 passports to Timorese citizens, receiving approximately US 788 thousand in revenue.

Access to justice clinics

We created the access to justice clinics, in the framework of the legal assistance services of the Public Defender’s Office, with the objective of guaranteeing to all citizens, especially those who live in more remote areas, access to justice and the rule of law. Currently we have two pilot projects in Baucau and Covalima, hoping that in the next 3 years the project can be extended to the other municipalities. Through these services approximately 760 cases were answered.

Legal and Judiciaire Training Centre

We have trained professionals in the justice sector, providing the Legal Training Judiciaire Centre (Portuguese acronym: CFJJ) with new rules for the organization of their activities and better conditions to fulfil its role of law school. We held training courses for lawyers, notaries, registrars and magistrates, with 27 lawyers, 14 notaries and registrars, 17 judges, 16 public prosecutors and 14 public defenders trained. Currently, the 6th Training

Course for Judges is undergoing, with 50 students.

Strengthening the Languages Policy in the Justice sector

We approved the Regime for the Use of the Official Languages in the justice sector, which seeks to adopt a bilingual model in three key areas: the development of normative acts, the judicial processes and the administrative procedure of the justice services. Thus, we have fulfilled one of the strategic objectives of the Government's policy for this sector with the objective of promoting access to law and justice, good governance and the protection of citizens' rights.

Monitoring of Human Rights within the United Nations System

We held a national consultation and presented Timor-Leste's report in the 2nd cycle of the Universal Periodic Review (UPR) of the Human Rights Council in Geneva.

Capacity building and strengthening of competences of professionals in the justice sector

We held training for prison guards (181), private lawyers (59), judicial clerks of the Public Defender's Office (16) and Registrars and Notaries (15). We also carried out specific training in relevant areas, highlighting the training in Human Rights, gender issues and domestic violence, which nationally covered 406 (F: 99 and M: 307) agents of the State.

Access to justice services

We decentralised the registrar services, by creating Registrar Departments in the

municipalities, which provide registrar services and issue birth, death and marriage certificates. We registered approximately 63,040 registration acts (28,666 live births of males and 25,486 live births of females; approximately 4,441 male deaths and 2,237 female deaths and 2,210 weddings).

Project to support public services

We signed the cooperation protocol between the Camões - Institute for Cooperation and Language, I.P., the National Directorate for Registration and Notary, and the Presidency of the Council of Ministers. Timor-Leste takes part in the implementation of the Project to Support Improving the Quality and Proximity of Public Services in the PALOP/Timor-Leste (PASP/PALOP-TL) funded by the European Union. The national programme of Timor-Leste called enlarging issuance of Identity Cards to all municipalities, is being implemented with the support of the PASP/PALOP-TL. This project aims to improve and professionalise public registration and notary services and issuing of identity cards. Currently, the PASP/PALOP-TL is supporting the implementation in six municipalities in Timor-Leste: Aileu, Ainaro, Liquiça, Manatuto, Manufahi and Viqueque.

Identity Card

We have launched the programme of issuance of identity cards *online* and *offline* in all municipalities and sent out approximately 136,505 identity cards in the *online system* and 8,496 identity cards in the *offline system*, a total of 145,001 identity cards.

Cadastral survey

Through the cadastral survey programme, in partnership with the Sistema Nacional de Cadastro (SNC), we had the sporadic cadastral survey of 2,772 parcels and the systematic cadastral survey that covered 140 thousand plots.

Awareness of laws and rights

We held awareness building activities to the community of laws and rights, promoting access to information and to justice. We made 17 actions of dissemination of laws in the community, covering 2,669 people (F: 1,523 and M: 1,146) and 9 actions of Human Rights Training in 9 administrative posts (Liquidoe, Turiscaí, Natarbora, Hatudo, Lolotoe, Maucatar, Fatuberliu, Hatobuilico and Bobonaro).

Rehabilitation of justice sector infrastructure

We rehabilitated the Suai prison and started the project for the construction of new buildings and residences of the Public Defender's Office in Bobonaro and Ermera.

Bilateral cooperation in the justice sector

We have strengthened bilateral cooperation with CPLP countries, having established protocols in the justice area with Portugal, Cape Verde, Mozambique, São Tomé and Príncipe and Brazil. These protocols include the training of human resources, technical and legal advisory, support for the functioning of justice institutions, exchanges, internships, sharing and exchange of legal information, among others. We held the 14th Conference of

Ministers of Justice of Portuguese-Speaking Countries (Portuguese acronym: CMJPLP), under which important activities were held in the area of land rights, rights of children and combating and preventing trafficking in human beings.

Land and State property registry update

We updated the registry of occupation situations of the State properties, which contributed to guaranteeing and ensuring State assets, the country's investment, improving the management of State's land and property use and the State revenue. We completed 2,965 property lease contracts, 185 property grants, 428 notifications, 14 administrative eviction orders, and renewed 664 lease contracts, which enable the State to receive approximately US 8.2 million.

Systematic cadastral survey

With the *Sistema Nacional de Cadastro* (SNC), we completed the systematic cadastral survey of 140 thousand parcels, throughout the national territory and in the Special Administrative Region of Oe-cusse Ambeno, which allowed data collection for the purpose of identifying land parcels, resolving disputes and subsequent registration of titles.

Land and properties dispute mediation

We have identified and registered, through the sporadic cadastral survey, 3,128 plots, registered 1,108 land and property disputes, mediated 182 cases, of which 164 were resolved and 87 are still pending, 839 are in the process of dispute and 18 were taken to Court. The mediation, in addition to seeking a solution, also prevents conflicts between

communities, ensuring peace and stability among the communities. We also surveyed land use at the Administrative Post of Railaco, surveyed data with the toponymy in the Administrative Post of Atabae and surveyed the street names in Dili and in the capitals of other municipalities.

Reference Points of the Geodesic Network

We have identified 56 reference points of 4th Order in the municipalities of Baucau and Bobonaro, and 70 reference points at the border. We also established reference points of the Geodetic Network throughout the territory of Timor-Leste: 10 geodetic markers of 1st order; 100 geodetic markers of 2nd order; 202 geodetic markers of 3rd order; 1000 geodetic markers of 4th order; and observation of 10 geodetic markers of 1st order.

Awareness campaign on land and properties legislation

We raised awareness on land and property in 35 villages scattered throughout the national territory, identified as being more prone to conflict, with over 10 thousand participants. We found that the number of disputes decreased by approximately 85%, with lease contracts signed with the State.

Cadastral and cartographic technical and professional training

We gave cadastral technical training to 47 staff and cartographic training to 38 staff. The professional training covered 68 staff: 15 in mediation; 24 in confrontation; 3 in administrative management and 26 staff in land registrar, file systems and planning, among others.

Foreign Policy White Paper

We are putting the finishing touches to the White Paper on Foreign Policy, whose completion is expected before the end of the term. We held two meetings of the Coordinating Council, where we produced the base document on Timor-Leste's foreign policy's main lines, which was the reference for the drafting of this Paper.

Support to proposals of the United Nations

In the context of strengthening diplomatic relations, we supported candidacies to several bodies and specialized agencies of the United Nations Organization: CEDAW, Committee for the Rights of Children, President of the UN General Assembly, the UN Security Council, and Committee for Human Rights and the International Law Commission.

Financial support to friendly countries

By the fundamental principles of solidarity with the people, enshrined in the Constitution of RDTL and the need to strengthen diplomatic ties with friendly countries, we gave the following financial support:

- The Portuguese Republic to combat forest fires (US 2 million);
- Granted surface right to the Holy See regarding the plot of land adjacent to Motael church;
- The victims of the earthquake in Nepal (US 500 thousand);
- The internal refugees from Central African Republic (US 1.5 million);
- The Republic of the Union of Myanmar;

for the loss of human lives and material damage caused by heavy rains (US 1 million);

- The victims of cyclone Pam, in Vanuatu (US 1 million).

Agreements on the abolition of visas

To facilitate the movement of people between Timor-Leste and some countries, thus increasing the free movement of people and goods, we signed visa waiver agreements with the European Union and for holders of diplomatic and service passports with the Kingdom of Cambodia.

We are nearing completion of the agreement on the exemption of visas for holders of diplomatic and service passports with the Kingdom of Thailand, and expect its completion before the end of the term, and have under negotiation the agreement with Vietnam.

Concordat

We signed the Concordat, the agreement that establishes the legal framework for the relations between the Democratic Republic of Timor-Leste, the Holy See and the Catholic Church. Under this agreement, we granted land to the Holy See and established the “Agreement for the implementation of the Agreement between the Democratic Republic of Timor-Leste and the Holy See”, already ratified by the National Parliament. The Government will allocate to the Episcopal Conference of Timor-Leste a financing of more than US 15 million to be granted for educational, social and other activities.

Timor-Leste’s Embassies

We have appointed Ambassadors of Timor-Leste to the People’s Republic of China, Kingdom of Belgium and the European Union, Brazil, Singapore, South Korea, Japan, Indonesia, Thailand, New York, and Brunei. We have also appointed General-Consuls in Bali and Sydney, the Consul in Kupang and the Consular Agent in Atambua.

We have continued to strengthen bilateral relations and cooperation with ASEAN countries and opened 4 new embassies in Laos, Cambodia, Myanmar and Brunei Darussalam.

Official Visits to Timor-Leste

We organised official visits of foreign dignitaries: Political, Law and Security Coordinating Minister of the Republic of Indonesia; Minister of Defence in Japan; President of the Republic of Indonesia; Governor General of Australia; ex-Governor-General of New Zealand; Deputy Minister of Foreign Affairs of South Korea; State Secretary for Foreign Affairs and Cooperation of Portugal; Minister of Foreign Affairs of the Republic of Indonesia; Prime Minister of Cambodia; His Eminence Cardinal Pietro Parolin and Defence Minister of Portugal.

State visits

We followed H.E. the President of the Republic on State visits to 4 countries: Japan, Cuba, Brazil and Portugal.

Official and working visits

We made 11 official visits: Turkmenistan, Guinea Bissau, Philippines, Indonesia, Laos,

Vietnam, Australia, New Zealand, Portugal, China and India.

Through the working visits, we took part in 8 events: 1st Meeting of the Committee and Ministerial Joint between Timor-Leste and China on Economic and Trade Cooperation; World Economic Forum in Davos, Switzerland; NAO/RAO, ACP-Pacific Group Meeting with the theme “South-South and Triangular Cooperation and g7+”; ASEAN Regional Economic Forum in Malaysia; 16th Summit of Heads of State and Government of the Non-Aligned Movement, on Margarita Island, Venezuela; the General Assembly of the United Nations; South Korea and *International Conference ASEAN Political Parties*.

Agency for the Cooperation of Timor-Leste (ACTL)

We reaffirmed the importance of Timor-Leste’s foreign policy in Guinea Bissau through the contribution to the restoration of democratic order in the country, and we have followed the evolution of the political situation and the consultation and interaction with Governments, regional and international partners, including the United Nations, ECOWAS, the African Union and *CPLP*.

The ACTL provided 8 agricultural equipment pieces, 3 hospital ambulances and a radio system for the armed forces.

CPLP’s rotating Presidency

We assumed the rotating Presidency of the *CPLP* for the biennium 2014-2016, having organized almost all sectorial meetings; we held the 1st Global Economic Forum of the

CPLP, which attracted delegates from over 20 countries, providing real opportunities for *CPLP* countries to develop their businesses in the Asia-Pacific region; and we discussed the initiative of creating a platform for cooperation in the area of hydrocarbons and its financing mechanisms.

ASEAN Membership

Regarding Timor-Leste’s accession process to the ASEAN, we conducted evaluations of the Working Group of ASEAN on the three pillars of the Community: (i) Political and Security, ii) Economic and iii) Sociocultural. We took part in several international events and gave civil servants and the population in general an overview of ASEAN and Timor-Leste’s accession.

Since 2015, the ASEAN Summit statements have shown “commitment” with the provision of assistance to Timor-Leste’s process of capacity building. In 2016, several ASEAN bodies began to explore the possibility of Timor-Leste’s participation in their respective activities for capacity building.

Participation in international fora

We took part in various international *fora*:

- 8th EU/ACP Summit under the theme: “*Reaffirms Commitment to Sustainable Development Goals*”, in Papua New Guinea;
- International Meeting of African, Caribbean and Pacific countries in Timor-Leste;
- Pacific Island Forum, with Timor-Leste finalizing in 2016 the accession process to PDIF Group;

- *Southwest Pacific Dialog* (SWPD) in Malaysia and Laos. Timor-Leste acceded to the SWPD to strengthen friendship bonds and develop genuine partnerships with members of the group, aiming to promote the discussion of our strategic interests.

We also carried out feasibility and impact assessment studies on Timor-Leste's accession process to the Asia-Europe Meeting and the *Secretariat Pacific Community*.

g7+

We continue to support the g7+ intergovernmental organization, currently composed by 20 countries. Headquartered in Dili, the Secretariat of the g7+ maintains its important role of policy advice and coordination in the implementation of decisions of the Ministerial Forum, assuming a relevant role in monitoring the implementation of the Sustainable Development Goals.

Diplomatic Studies Institute

The Decree-Law that approves the statutes of the Diplomatic Studies Institute (Portuguese acronym: IED) awaits discussion in the Council of Ministers. The facilities are equipped and functional, with the training curriculum already approved, including curricular modules and modules for teaching English, Portuguese and diplomacy. We also completed support agreements with tertiary education and training institutions.

Boundary negotiations with Indonesia

We have intensified negotiation activities

with Indonesia for the resolution of the Oben/Bijaél sunan and Citrana segments' issues. We carried out visits to the areas in question and concluded four rounds of consultation and negotiation with Indonesia, as well as two consultation and approval rounds of the terms of references for the negotiation of maritime borders.

We also concluded the technical work production of the Joint Border Map with Indonesia and built 99 border markers (71 markers in Covalima and 28 in Oe-cusse Ambeno).

Agreements, Protocols and Memoranda of Understanding

We signed a number of Agreements, Protocols and Memoranda of Understanding with various countries, in several areas, and ratified Conventions:

CONVENTIONS

Title	Ratification
Constitution of the International Labour Organization	RPN no. 5/2015, of May 13 th
International Labour Organization Convention No. 111, concerning Discrimination in Respect of Employment and Occupation	RPN no. 11/2015, of August 5 th
International Labour Organization Convention No. 100, on equal pay between men and women for work of equal value.	RPN no. 12/2015, of August 5 th
UNESCO Convention for the Safeguarding of the Intangible Cultural Heritage	RPN no. 6/2016, of May 18 th
UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage	RPN no. 7/2016, of May 18 th
UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions	RPN no. 8/2016, of May 18 th
Statutes of the International Institute of the Portuguese Language (IILP in Portuguese)	RPN no. 10/2016 of June 15 th
Agreement for the creation of the Organization of Cooperation for the Asian Forest	Signed on June 20 th , 2016
Convention on the Settlement of Investment Disputes between States and Nationals of other States	RPN no. 14/2016, of August 31 st
International Convention of UNESCO against Doping in Sport	RPN no. 2/2017, of February 1 st
Constitution of the United Nations Organization for Science, Education and Culture	RPN no. 3/2017, of February 1 st

AGREEMENTS

Title	Ministry	Signature and/or approval
Cooperation Agreement between the Portuguese Republic and the Democratic Republic of Timor-Leste, for the creation of Escola Portuguesa in Dili	MoE	RPN no. 9/2015, of August 5 th
Agreement between the Democratic Republic of Timor-Leste and the European Union on visa exemption for short-term stays	MFAC	RPN no. 10/2015, of August 5 th
Agreement between the Democratic Republic of Timor-Leste and the Holy See	PM	RPN no. 18/2015, of November 11 th
Donation Agreement for the Project of Construction of the Comoro Bridge between the Government of the Democratic Republic of Timor-Leste and the Japanese Agency for International Cooperation	MFAC	Signed on November 30 th , 2015
Framework Agreement on Economic and Technical Cooperation between Timor-Leste and Cambodia	MFAC	Signed on August 20 th , 2016
Agreement on Visa Exemption for Holders of Diplomatic and Service Passports between Timor-Leste and Cambodia	MFAC	Signed on August 20 th , 2016

Amendment to the Agreement on Prosecutorial and Law Enforcement Cooperation	MFAC	Signed on September 29 th , 2016
Agreement on Economic and Technical Cooperation concerning the Grant between the Government of the Democratic Republic of Timor-Leste and the Government of the People's Republic of China for the Construction of Cereal Warehouses	MECAE	Signed in October 2016
Agreement on the Status of Visiting Forces Between the Governments of New Zealand and the Democratic Republic of Timor-Leste	MFAC	RPN no. 4/2017, of March 8 th
Agreement between the Government of the Democratic Republic of Timor-Leste and the Government of the Kingdom of Thailand to Visa Exemption for Holders of Diplomatic and Service Passports	MFAC	Signed on May 19 th , 2017
Air Services Agreement between the Government of the Democratic Republic of Timor-Leste and the Government of Australia	MFAC	Signed on May 26 th , 2017

MEMORANDA OF UNDERSTANDING

Title	Ministry	Signature and/or approval
Memorandum of Understanding between the General Prosecutor of the Democratic Republic of Timor-Leste and the General Prosecutor of the Republic of Cape Verde	GPR	July 15 th , 2015
Memorandum of Understanding between the General Prosecutor of the Democratic Republic of Timor-Leste and the General Prosecutors' Office of São Tomé and Príncipe	GPR	July 15 th , 2015
Memorandum of Cooperation in the area of Tourism between the Ministry of Hotels and Tourism of the Republic of Angola and the Ministry of Tourism, Art and Culture of the Democratic Republic of Timor-Leste		July 15 th , 2015
Memorandum of Understanding between the Government of the Democratic Republic of Timor-Leste and the Government of the Republic of Indonesia on Technical Cooperation in the Forestry Sector	MECAE	August 26 th , 2015
Memorandum of Understanding between the Government of the Democratic Republic of Timor-Leste and the Government of the Republic of Indonesia on Agricultural Cooperation	MECAE	August 26 th , 2015
Memorandum of Understanding between the Government of the Democratic Republic of Timor-Leste and the Government of the Republic of Indonesia on Cooperation on Marine Affairs And Fisheries	MECAE	August 29 th , 2015
Memorandum of Understanding between the Ministry of Public Works, Transport and Communications of the Democratic Republic of Timor-Leste and the Agency for Meteorology, Climatology and Geophysics of the Republic of Indonesia on Cooperation in the field of Meteorology, Climatology and Geophysics	MFAC	January 26 th , 2016
Memorandum of Understanding between the National Archive of the Democratic Republic of Timor-Leste and the National Archive of the Republic of Indonesia on Cooperation in the field of Archives	MAE	January 26 th , 2016

Title	Ministry	Signature and/or approval
Memorandum of Understanding between the Secretary of State for Youth and Sport of Democratic Republic of Timor-Leste and the Ministry of Youth and Sport of the Republic of Indonesia on Cooperation in the Youth area	SEJD	January 26 th , 2016
Memorandum of Understanding between the Ministry of Petroleum and Mineral Resources of the Democratic Republic of Timor-Leste and the Ministry of Energy and Mineral Resources of the Republic of Indonesia in the field of Energy Resources, Oil and Minerals	MFAC	January 26 th , 2016
Memorandum of Understanding between the People's Republic of China and the Democratic Republic of Timor-Leste on the establishment of the Joint Commission on Bilateral Trade and Economic Cooperation	MFAC	March 18 th , 2016
Memorandum of Understanding on cooperation in the field of Labour between Timor-Leste and Cambodia	MFAC	August 20 th , 2016
The Memorandum of Understanding between the Ministry of Education of Timor-Leste and the Ministry of Education and Human Development of the Republic of Mozambique on the Education Cooperation Programme	MoE	September 2016
Memorandum of Understanding between the Ministry of Education of Timor-Leste and the Ministry of Science and Technology, Higher Education and Technical Training of Mozambique	MoE	September 2016
Memorandum of Understanding between the Ministry of Education of Timor-Leste and the Eduardo Mondlane University	MoE	September 2016
Memorandum of Understanding on Promoting the Cooperation of Productive Capacity between China and Portuguese-Speaking Countries	MECAE	October 2016

PROTOCOLS

Title	Ministry	Signed and/or approval
Cooperation Protocol between the Ministry of Education of the Democratic Republic of Timor-Leste and the Universidade Federal do Rio Grande do Norte	MoE	January 10 th , 2015
Cooperation Protocol between the Ministry of Education of the Democratic Republic of Timor-Leste and the Universidade Federal dos Vales de Joazeiro e Mucuri	MoE	February 10 th , 2015
Cooperation Protocol between the Ministry of Education of the Democratic Republic of Timor-Leste and the Universidade Estadual Paulista Júlio Mesquita Filho	MoE	February 12 th , 2015
Cooperation Protocol between the Ministry of Education of the Democratic Republic of Timor-Leste and the Universidade Federal de Uberlândia	MoE	

Title	Ministry	Signature and/or approval
Cooperation Protocol between the Democratic Republic of Timor-Leste and the Republic of Mozambique in the area of Justice	MoJ	RG No. 33/2015, of September 9 th
Cooperation Protocol between the Democratic Republic of Timor-Leste and the Republic of Cape Verde in the area of Justice	MoJ	RG No. 32/2015, of September 9 th

OTHER

Title	Approval
Financial aid the victims of the volcanic eruption in Cape Verde	RG no. 1/2015, of January 7 th
Help to the flood victims in Malaysia	RG no. 2/2015, of January 7 th
Help to the flood victims in Thailand	RG no. 3/2015, of January 7 th
Solidarity with Indonesia	RG no. 4/2015, of January 7 th
Financing agreement between Timor-Leste and the European Union	Signed on February 24 th , 2015
Financial assistance to the victims of cyclone Pam in Vanuatu	RG No. 15/2015, of April 8 th
Financial aid to the victims of the earthquake in Nepal	RG No. 19/2015, of April 29 th
Financial support to São Tomé and Príncipe	RG No. 23/2015 of July 15 th
Financial aid to the Republic of the Union of Myanmar	RG No. 31/2015, of August 26 th
Support for referendum and election processes in the Central African Republic	RG No. 39/2015, of October 21 st
Support for the process of electoral census in São Tomé and Príncipe	RG No. 40/2015, of October 21 st
Technical Support Mission to the process of electoral census in São Tomé and Príncipe	RG No. 7/2016, of February 17 th
Support for the candidacy of António Guterres to Secretary-General of the United Nations Organization	RPN no. 4/2016, of April 27 th
Donation to Portugal for strengthening the capacity of response in fighting fires and relief to people	RG No. 21/2016, of August 10 th
Contribution to the Office of the President of the 71st Meeting of the United Nations General Assembly	RG No. 25/2016, of August 24 th
Support for Internally Displaced Persons (IDPS) in the Central African Republic	RG No. 28/2016, of September 21 st
Contribution to the World Health Organization for the South-East Asia Region	RG No. 35/2016, of October 19 th
Action Plan of the 5th Ministerial Conference of the Forum for Economic and Trade Cooperation between China and Portuguese-Speaking Countries (2017-2019)	Signed on October 12 th , 2016
Grant to the Permanent Representation of the Saharawi Arab Democratic Republic	RG No. 13/2017, of March 15 th
Contribution to the Organization of the Asia and Oceania Round Table under the project of the Club of Madrid "Future Generation Democracy"	RG No. 14/2017, of March 15 th

The Sixth Constitutional Government, in addition to continuing the previous governments' programs, has been engaged in the definitive delimitation of the maritime boundaries and advancing with a set of reforms that are promoting the diversification of Timor-Leste's economy. In addition, it also emphasized the commitment to promote access to health services while embracing the goals of the 2030 Agenda for sustainable development.

Learn more about:

- **Council for the Final Delimitation of Maritime Boundaries.**
- **National Program on Family Health.**
- **Working Group of the Sustainable Development Goals.**
- **Guide for Economic Reform and Growth.**
- **Fiscal Reform.**
- **Public Administration Reform.**
- **Legislative and Justice Sector Reform.**
- **Special Administrative Region of Oe-cusse Ambeno and Special Zones of Social and Market Economy.**
- **Community of Portuguese Speaking Countries.**



**SNAPSHOT OF THE SIXTH
CONSTITUTIONAL
GOVERNMENT MANDATE
[2015 - 2017]**

**DID YOU KNOW
THAT...**





Council for the Final Delimitation of Maritime Boundaries

The Council for the Final Delimitation of Maritime Boundaries was established in 2015 and its powers redefined in March 2016. In February 2016, His Excellency, Kay Rala Xanana Gusmão was appointed by the Council of Ministers as Chief Negotiator of a Treaty for the delimitation of maritime boundaries with the Commonwealth of Australia and the Republic of Indonesia.

The principal purpose of the Council for the Final Delimitation of Maritime Boundaries is to achieve permanent boundaries for the nation. Its main duties are to define the key terms of the treaty to delimit final maritime boundaries, to coordinate the overall direction of the negotiation process and provide instructions and guidelines on resources and strategy. Within these tasks, we should highlight the following achievements of the Council:

- Establish and strengthen the Maritime Boundary **Office, the Secretariat for the Council for the Final Delimitation of Maritime Boundaries**, including its organisational framework and its physical, financial and human resources management;
- Launch of the **Maritime Boundary Office Website** on February 29th, 2016 (<http://www.gfm.tl/>);
- Organisation of the first **International Conference on Maritime Boundaries and the Law of the Sea**, held in Dili on May 19th, 2016;
- Release of the **Timor-Leste Policy Paper on Maritime Boundaries**, in Dili and The Hague on August 29th, 2016;
- Draft of multiple **technical, legal and policy papers**, key for decision-making of Timorese leadership regarding maritime boundaries;
- Organisation of nine meetings of the Council for the Final Delimitation of Maritime Boundaries, chaired by H.E. Prime Minister, Dr. Rui Maria de Araújo and comprising leaders of the nation and Government members;
- Organisation of multiple **strategic and** political meetings with international leaders and organisations and participation in international events, in order to raise awareness among the international community and ensure its support regarding the delimitation of Timor-Leste's maritime boundaries;

- Began **bilateral discussions on maritime boundaries with the Republic of Indonesia** at the end of 2015.

Finally, on 11 April, 2016 Timor-Leste, with the support of the Council, initiated the Compulsory Conciliation process with Australia under Annex V of the United Nations Convention on the Law of the Sea.

Under this mechanism, triggered for the first time, multiple confidential meetings have been held with the view to reaching an agreement on maritime boundaries. If an agreement cannot be reached by the conclusion of the process on September 19th, 2017, the Commission must issue its report with recommendations to the Secretary-General of the United Nations. The Compulsory Conciliation process has achieved several outcomes so far:

- In January 2017, Australia agreed to negotiate a permanent maritime boundary with Timor-Leste, under the Conciliation Commission;
- On January 10th, 2017, Timor-Leste notified Australia of its intention to unilaterally terminate the Treaty on Certain Maritime Arrangements in the Timor Sea (CMATS), following approval from the National Parliament;
- CMATS ceased to be in force as of April 10th, 2017, with both parties agreeing that the 2002 Timor Sea Treaty and its regulation framework remain in force in its original form to provide legal certainty for petroleum investors whilst the final boundaries are determined;
- Timor-Leste has withdrawn both ongoing arbitrations against Australia as part of a suite of confidence building measures to ensure negotiations between both countries are conducted in good faith.



National Health in the Family Program

The National Health in the Family Program was launched in July 22nd, 2015, to pursue the efforts made by previous governments on providing universal access to free healthcare to the population of Timor-Leste.

This was a flagship program under the direct tutelage of the Prime Minister and it marks the commitment of the Sixth Constitutional Government regarding universal values and principles of equality and social justice. It aims to fulfil the responsibility of the State to provide general access to quality healthcare, without out of pocket costs, and with the support of international organizations, namely the Cuban Medical Brigade, the World Health Organization and UNICEF.

This program was initially implemented in Dili and then expanded to other 11 municipalities of Timor-Leste and the Special Administrative Region of Oe-Cusse Ambeno, in order to cover 206,483 households across 2,225 villages in Timor-Leste, according with the results of the 2015 census.

Modelled on the Cuban primary health care system, this program's main objective is to provide a "Package of Integrated Services of Primary Health Care" to all Timorese households, through home visits, clinic appointments, treatment and referrals, by teams of health professionals. Each household's medical history will also be registered, including that of each individual, which will then be stored in an integrated medical registration electronic database.

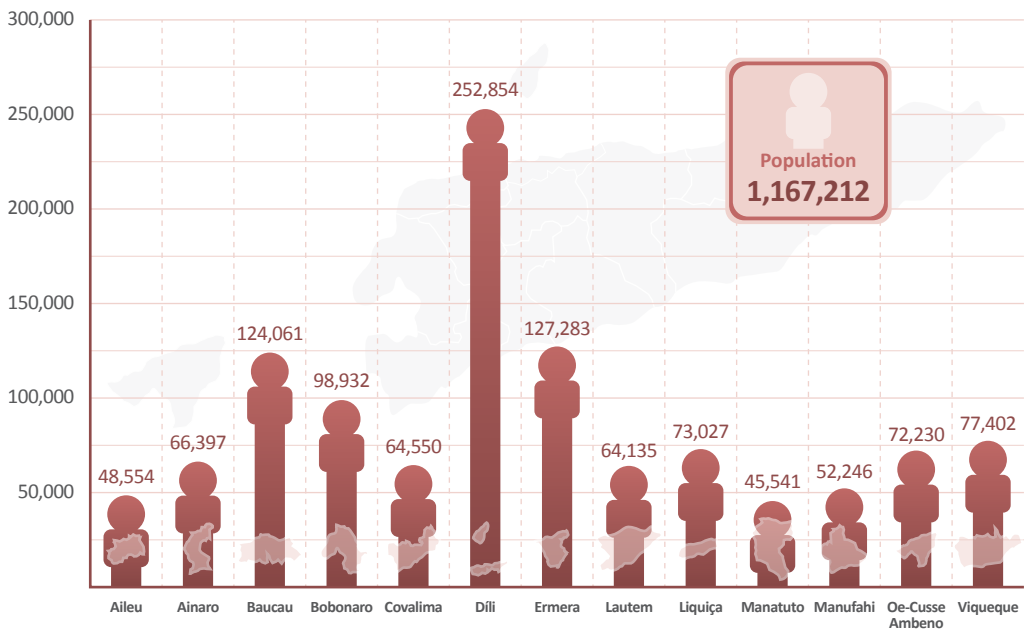
Recognising that primary health care is the best strategy for ensuring better health for all, creating the conditions for strengthening the health system through integrated health care, that is rational and equitable, this initiative is aligned with the Sustainable Development Goals, of "leave no one behind" by reaching to a larger number of people who are still being "left behind" in Timor-Leste, in regards to accessing health care.

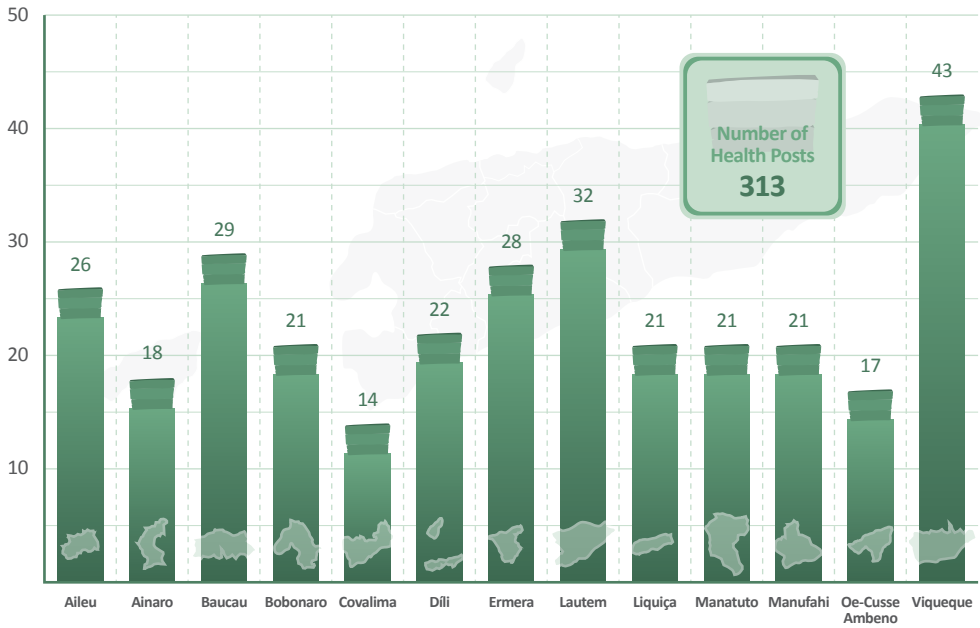
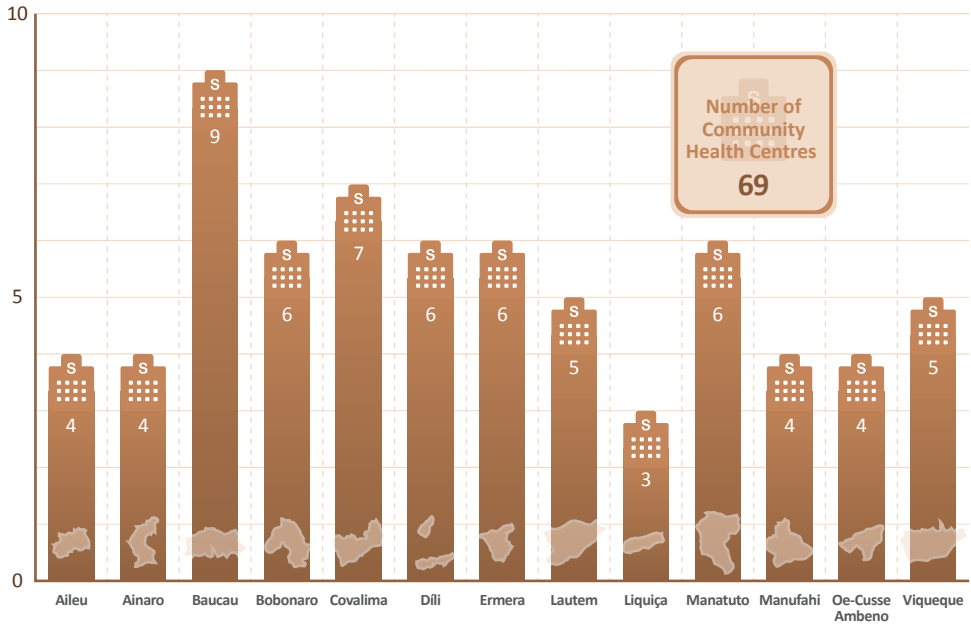
The implementation of the Health in the Family Program consists of two stages: first, through home visits through the use of a "dispensarization" approach; and, in stage two, regular visits are carried out to identify the health profile of the household, including assessing the environment or other key social factors that may affect the health of families. The purpose is to gather enough information to allow interventions, direct and indirect, suitable to the actual necessities of each member of the household.

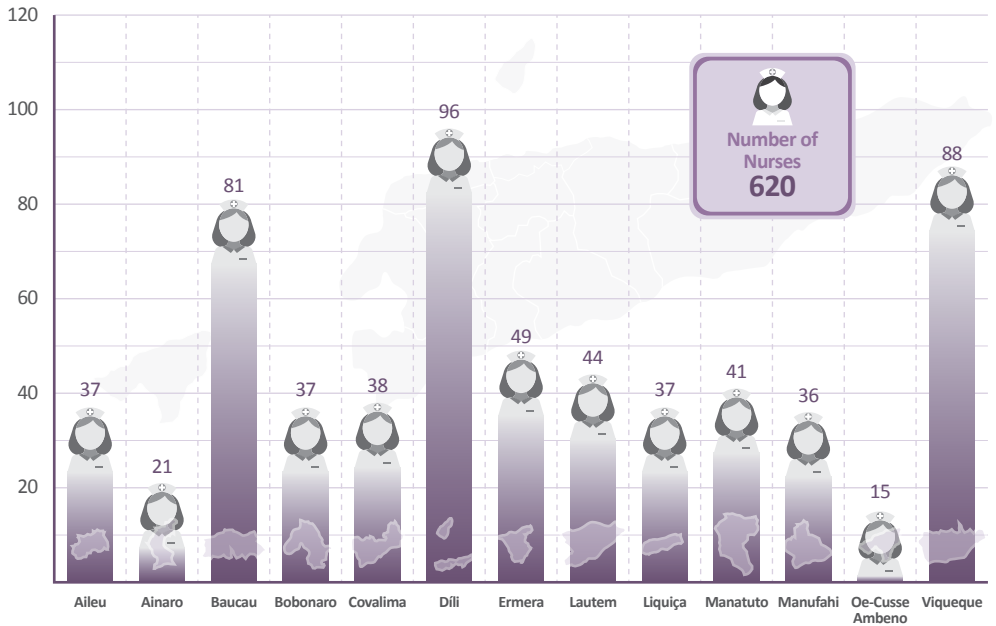
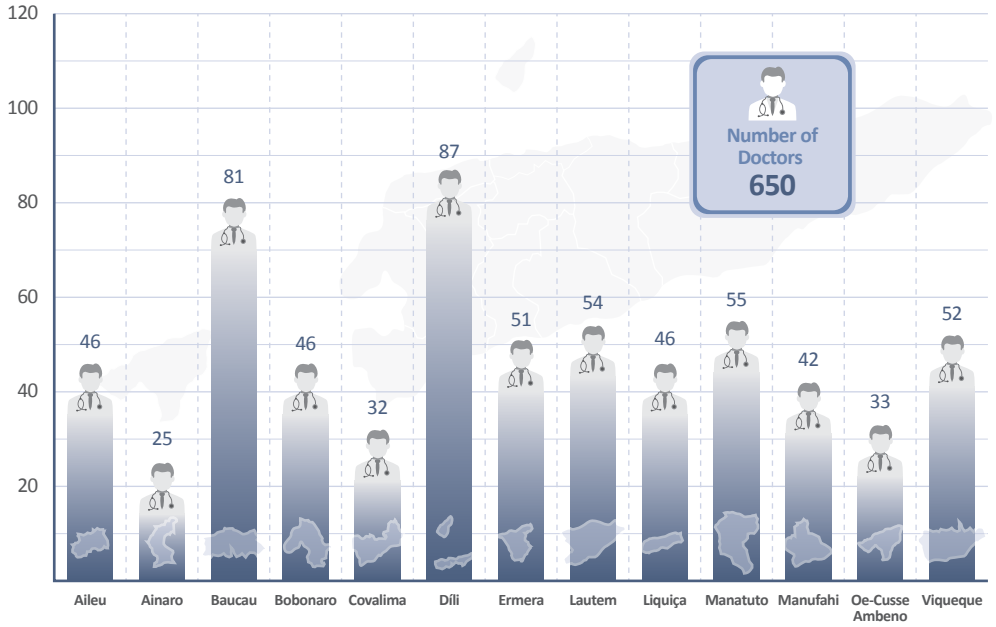
This is a pioneering initiative in the country, in that it allows integrated teams of health professionals (consisting of one doctor, one midwife and one nurse) to be closer to families and to the community; in particular those who live in rural areas. As such this will allow not only the education of health promotion aspects but also the prevention of the main diseases affecting the most vulnerable of families.

More than a year after the implementation of “Health in the Family” it was already possible to acknowledge the bridges being built between the healthcare professionals and the recipients of the program, with trust between both parties being key to reduce morbidity and mortality rates regarding children and pregnant women, as well as to increase immunisation, reduce malnutrition rates and also prevent communicable and non-communicable diseases, helping to improve the overall health of the Timorese people.

Did you know that?







SPEECHES

SOCIAL

INFRASTRUCTURE

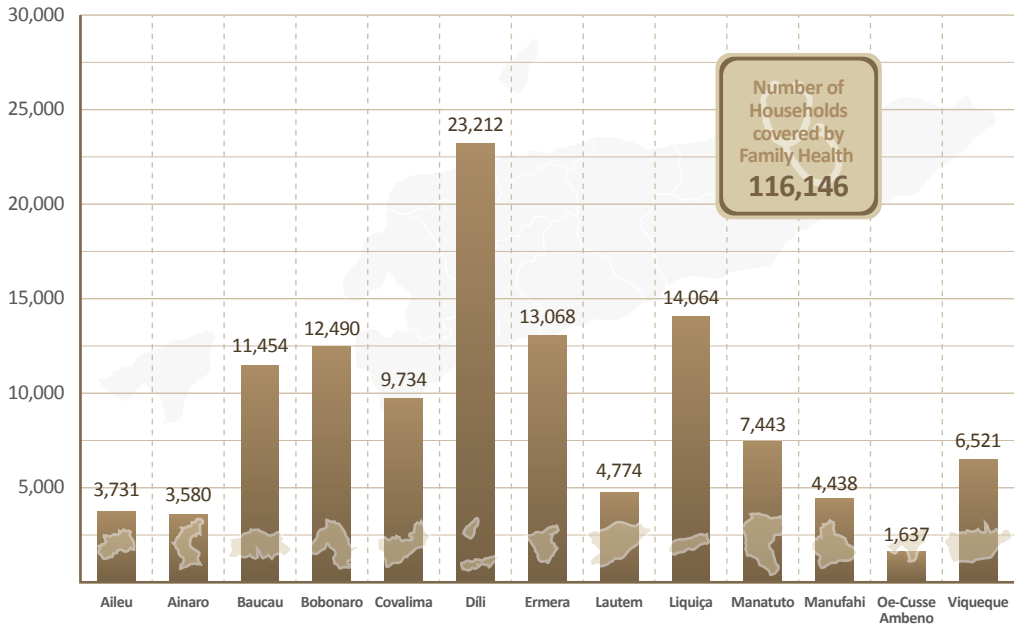
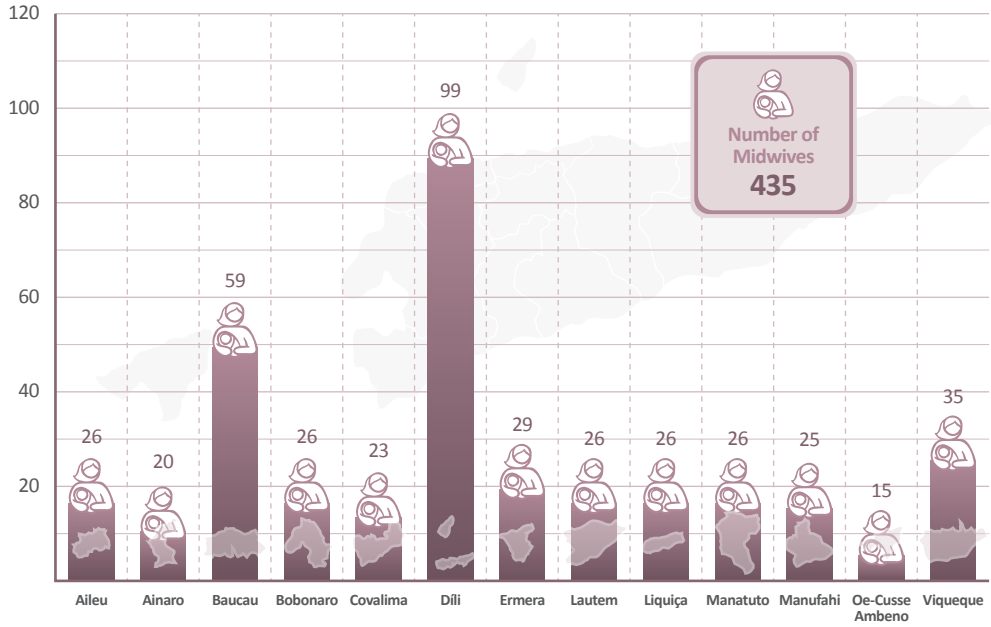
ECONOMIC

GOVERNANCE

DID YOU KNOW THAT

LEGISLATION

GENERAL STATE BUDGET





Working Group of the Sustainable Development Goals

The Government of Timor-Leste adopted the Agenda for 2030 and the Sustainable Development Goals (SDG) through the Government Resolution no. 34/2015, on 23 September; two days prior to its formal adoption by the General Assembly of the United Nations. This Resolution also established a working group to implement the SDG's, to be led by the Prime Minister's Office. Thereafter, the adoption of the 2030 Agenda and the SDG's were ratified by National Parliament Resolution no. 19/2015, on 18 November. This Resolution recommended that the Government of Timor-Leste aligns its planning and budgeting systems with the SDG's.

The Government established, through the Order no. 038/2015/XII/PM, on 22 December, the SDG's Working Group. It also issued Government Decree no. 1/2016, on 1 February, where it determines that annual planning and budgeting must reflect the SDG's. This Working Group was tasked with identifying ways to harmonize the new Global Sustainable Development Goals of the Agenda for 2030 with the Strategic Development Plan 2011-2030 and integrate them in the Sixth Constitutional Government Program, which took office on February 16, 2015.

The SDG's Working Group is chaired by the Prime Minister's Office, with strong representation of the Ministries and the planning, budgeting, monitoring and implementation units regarding the SDP. The Working Group also identified government institutions responsible for each of the 169 SDG's, as well as other Ministries and institutions sharing responsibility to achieve the goals.

The SDG's Working Group assessed the alignment between the Strategic Development Plan and the Sustainable Development Goals and identified key points of consistency and convergence. It was clear that the Strategic Development Goals 1 to 15 are well aligned with the SDP's goals. Goal 16 (Peace, justice and effective institutions) and Goal 17 (Partnerships) are consistent with the implementation approach of SDP. The assessments carried out to connect SDG's to the national development framework show that SDP is consistent with the goals of the Agenda for 2030.

Development of the Roadmap of Timor-Leste to implement SDG's: In 2017, the Government of Timor-Leste started a process to develop a national roadmap to achieve the SDG's, as framed by the Agenda for 2030 and the SDG's aims and targets. The roadmap lists the plans and strategies that shaped the development expectation for the country, as well as the institutional systems, policies and structures established to allow and keep progress. The roadmap offers the approach and experience of Timor-Leste as a framework to share ideas and experiences with the rest of

the world, including a set of learned lessons that may be useful to other countries aiming to leave a fragility status.

The Roadmap of Timor-Leste to implement SDG's is based upon the Strategic Development Plan 2011-2030, which sets out the liaison of aims and priorities for national development as described during national consultations to develop SDP (What do we expect) and reflecting the expectations of Timorese citizens. SDP also lists the aims and targets, in line with the development and priorities of the country. This frames what the country needs to do to fulfil the SDG's.

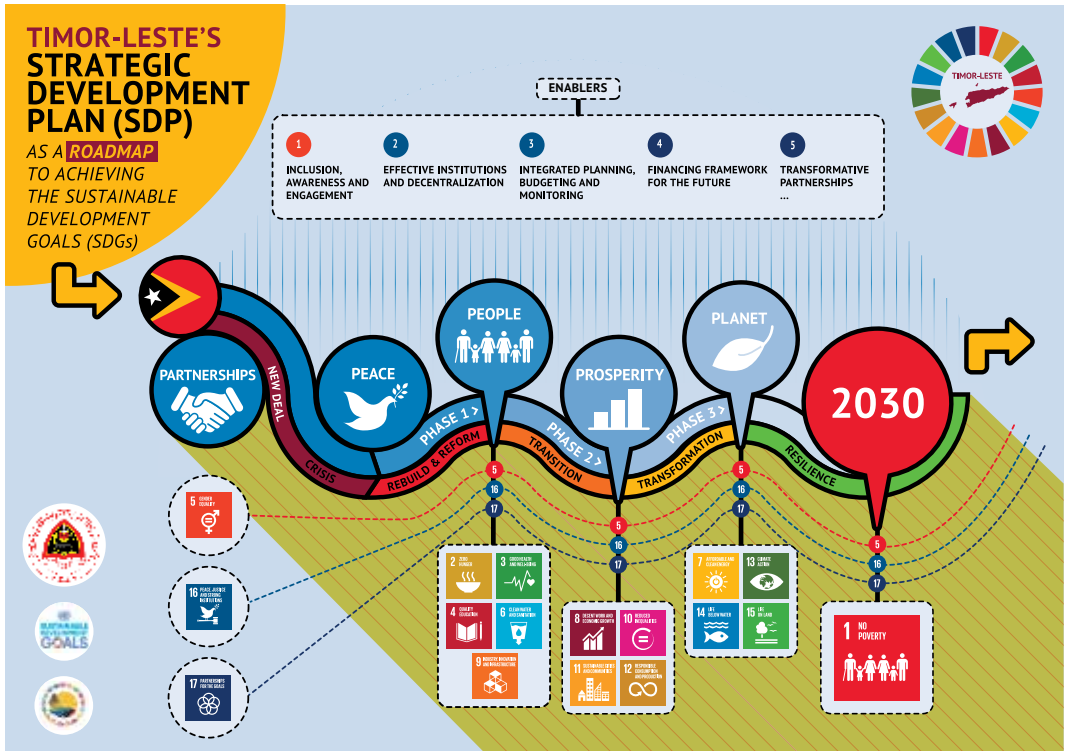
Globally, Timor-Leste advocated since the beginning the implementation of the Agenda, including with the participation of the Prime Minister at the High-Level Group on the Implementation of the SDG's, established the day after the adoption of the 2030 Agenda at the UN General Assembly in New York. Together with the leaders of South Africa, Germany, Brazil, Colombia, Sweden, Tanzania and Tunisia, the Prime Minister Dr Rui Maria Araújo committed to actively gather support regarding the implementation of the SDG's and to obtain "actual commitments and sustained engagement, at different levels, during the course of this Agenda." The efforts to share experiences and support "fragile to fragile" aid regarding SDG's, through g7+ network, are also an integral part of this commitment.

Timor-Leste, as the host of the g7+ Secretariat, is one of the pioneers of the substantive work that led to the inclusion of SDG 16 and to promote the "New Deal". One of the main grounds for the set up of the g7+ was the sharing of learned lessons and best practice concerning peace strengthening and State-building, thus reinforcing the main goals of stability, peace and good governance and promote cooperation between member-states.

The Government of the Democratic Republic of Timor-Leste is proud to have organised the "International Conference on the Agenda for 2030: Roadmap for Sustainable Development Goals in Fragile and Conflict-affected States" on May 22-23, 2017, in Díli. The conference was organised together with the members of the informal High-level Group of Support to the SDG's and with the g7+ Secretariat. It gathered higher-level decision-makers of the Government, Development Partners and Civil Society Organizations, as a platform to discuss challenges and share lessons and best practices regarding the implementation of the Agenda for 2030 in fragile and conflict-affected States.

The conference also organized a technical meeting on the best approach to strengthen a cooperation mechanism between fragile and conflict-affected States regarding the implementation of SDG's, based upon the global experience of fragile States and south-south cooperation. As a host of the conference in Díli, Timor-Leste offered its experiences while sharing the lessons learned.

As well, and following the SDG's motto "Implement the Sustainable Development Agenda for 2030: Call for Action - No one will be left behind", the Prime Minister's office embraced the idea to promote micro, small and medium sized enterprises as an effective means to accelerate progress in terms of sustainable development of Timor-Leste and improve economic growth, generate employment and reduce national poverty. Company development services use recent loan



guarantees to finance SMEs (with a total budget of 4 million dollars for 2017). The establishment of the fund and the policy approval followed a successful working session between the Prime Minister’s office and private sector on access to financing by SMEs, in coordination with the Central Bank. This working session was held in March 2016.

The Prime Minister’s office organized two events in order to, for the first time, connect young people in the municipalities in a live debate. This “social summit” was broadcasted by the national television and discussed employment and SDG’s challenges.

The consultation with young people was kept through the youth forum, where the Prime Minister announced the **Prime Minister’s Prize** to Young Entrepreneurs, so to distinguish exceptional contributions by young Timorese entrepreneurs to the national development agenda, improving the wellbeing of families and communities. This prize shall also motivate future entrepreneurs to do their very best to contribute for development and social impact.

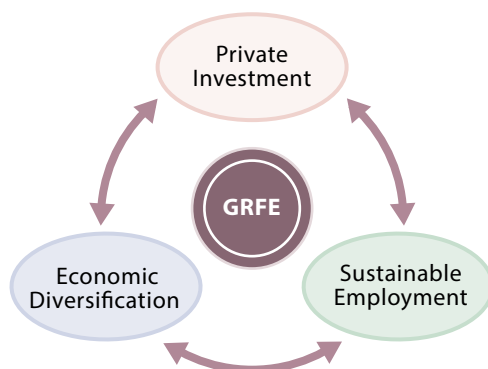
ⁱ In September, the Government of Timor-Leste implemented a policy of access to financing by SMEs, establishing a national loan guarantee fund. This will be administered by the Central Bank and disbursed through the commercial banks. The loan guarantee continues stage one project partnership SB between the Ministry of Commerce, Industry and Environment and the National Bank of Commerce of Timor-Leste, with ROK granting 480 thousand dollars.

SPEECHES
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The Guide for Economic Reform and Growth (GRFE)

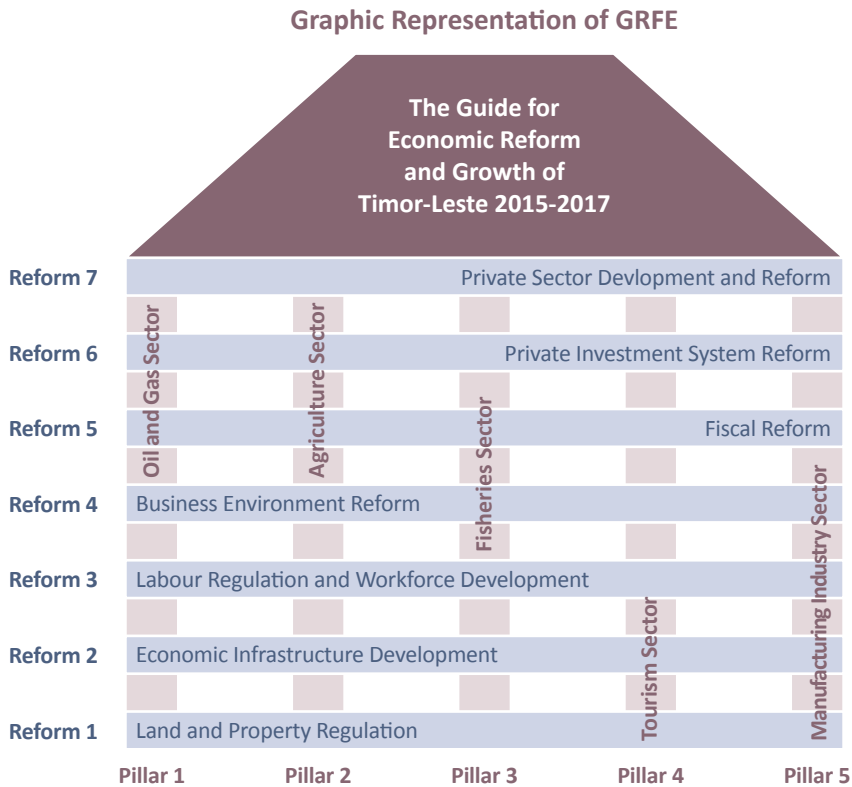
Timor-Leste's economy is today mainly dependent on the revenues from the oil and gas sector. The economy is also characterized by the activities of the agricultural sector that absorbs about 70% of the work force, as well as by the considerable weight of the public sector. However, oil revenues from the existing field are declining and prospects of new fields are uncertain, therefore the country needs to diversify its economy and sources of revenue for its population.



Responding to this need, the VI Constitutional Government approved in Council of Ministers the Guide for Reform and Economic Growth of Timor-Leste (GRFE), implemented by the Office of the Minister of State, Coordinating Minister for Economic Affairs (MECAE), line ministries and agencies under the coordination of MECAE. The GRFE prioritizes the implementation of structural economic measures under each of the priority areas identified in Timor-Leste's Strategic Development Plan for 2011-2030 and the VI Constitutional Government Programme. The objectives of the GRFE are to facilitate private investment, promote economic diversification and create sustainable employment.

Timor-Leste has many strengths, resources and richness, however there are still key challenges that hinder private-sector-led growth. Private investors expect and require a secure, predictable and transparent framework, supported by adequate legislation and regulations, as well as suitable infrastructure to facilitate investment and support business activity.

The GRFE is organised into a matrix, composed of five economic priority sectors (or pillars) and six transversal interventions. Timor-Leste has considerable advantages in each of these sectors: (1) Oil and Gas, (2) Agriculture, (3) Tourism, (4) Fisheries and (5) Manufacturing Industry; given the natural resources, the geographical location and the economic potential in each sector. The transversal reform interventions are: (1) The Regulation of Land and Property, (2) Development of Economic Infrastructures, (3) Labour Regulation and Workforce



Development, (4) the Reform of the Business Environment, (5) the Tax Reform, (6) the Reform of the Private Investment Regime and (7) the Reform and Development of the Private Sector.

With the exception of the Tax Reform and the Land and Property Regulation, all other five reforms fall within the competence and coordination of MECAE. The Tax Reform is being implemented by the Ministry of Finance and the Land and Property Regulation programme is mainly with the Ministry of Justice, and they are therefore being implemented in close collaboration with the GRFE.

Timor-Leste is fully committed to becoming a full member of the Association of Southeast Asia Nations (ASEAN) and World Trade Organization (WTO) and therefore the GRFE, as well as the rest of the government reforms implemented by the VI Constitutional Government, is fully aligned with ASEAN and WTO guidelines.

The private sector environment in Timor-Leste will be greatly improved and substantially more attractive in the near and medium term, allowing domestic and foreign investors benefit from the wide range of opportunities that Timor-Leste offers: potential mineral, agricultural

and marine resources, an ecosystem still mostly undamaged by human action, favourable climate for the cultivation of high commercial value products, great tourist potential, cultural richness and an excellent location in the South Asian region, among others.

Some of the key interventions and legislation under the GRFE are:

- Sector development plans for agriculture (coffee, forestry, livestock, among others);
- Timor-Leste Investment Reform Map, including an Investment Policy and a including the Private Investment Law;
- Timor-Leste Tourism Policy;
- Timor-Leste Civil Aviation Policy;
- Land and Property Law;
- Creation of TradeInvest TL -Timor-Leste Promotion of Investment and Export Agency, I.P.
- Export Promotion Law;
- Commercial Company Law;
- Regulation of licensing and business activities;
- Law on Bankruptcy and insolvency;
- Competition Law;
- Consumer Protection Law;
- Revision of the Timor-Leste National Employment Strategy.



Fiscal Reform

“Realise the potential: fiscal reform for a solid and diversified economy”

On the Fiscal Reform Commission

The Fiscal Reform Commission (CRF) was established by the Sixth Constitutional Government and approved by the National Parliament. Its purpose is to help ensure the future of Timor-Leste through several sources of revenue. CRF is a technical rather than political body. It serves the entire Government and the Timorese people and its role is to assess and reform the current sources of revenue, introduce new sources of revenue and reform expenditure. The reforms will facilitate trade through business support and attracting investment.

As a first step towards reform, new tax and customs policies and laws were drafted. To support transparency and integrity, such law proposals were shared with Government members, civil society, business community and other stakeholders, through public consultations held as part of the process. Nevertheless, the reforms are not only based upon law amendments. They also aim to improve the way the Government collects and administers tax. This relies upon the installation of new IT systems, the development of a new culture of service delivery, higher integrity of the government agents, accountability and considerable training of tax and customs officers.

As a whole, the reforms will take five years to be implemented. Over the next five years, new systems will be established and the structure of the tax and administrative offices will be altered to support the laws. New Tax and Customs Authorities were already set up to implement the reforms carried out by CRF. CRF will also provide information to the public and to the business community in order to ensure that everyone is aware of the changes and that they know their rights and duties under the new laws.

The ongoing reforms will have a comprehensive impact in Timor-Leste. They will modernize the country, improve the life conditions for all citizens and make the economy grow. They will occur through the increase of domestic revenue to cover State expenditures and the stabilization and support to economic growth based upon trade facilitation.

Revenue projection

The fiscal reform aims to establish the requirements needed to increase State domestic revenues to 450 million dollars until 2020, to cover the operational costs of the Government. This will help the Petroleum Fund last longer.

Legislation and resolutions approved by the Council of Ministers

The Council of Ministers approved several legislative documents, such as the Customs Code, the Organic Law of the Tax Authority and the Organic Law of the Customs Authority. The Tax Law and the VAT Law are currently in the Council of Ministers; the Tax Procedures Code is being finished and will be submitted to the new Government; and the proposal on the Special Regime for Officers working for the Tax and Customs Authorities is being drafted.

Resolutions and agreements

Through Government Resolutions, the Fiscal Reform Commission and its term were approved; the Revised Arusha Declaration was adopted; the ASYCUDA World was implemented and the *CPLP* One-Stop Shop was presented to *CPLP* member countries. The Memorandum of Understanding between the Government and the Chamber of Commerce and Industry-TL was signed and a MoU draft was developed between Customs and the Ministry of Agriculture and Fisheries.

Policy documents on fiscal reform, tax reform and customs reform

- Fiscal Reform Plan approved in the Council of Ministers on September 21, 2015
- Training strategies for the Tax and Customs Authorities
- Review of IT requirements applicable to Tax Administration
- Recruitment plan for the new Tax and Customs Authorities
- Implementation plan to set up the Tax Authority and the Customs Authority and its functional structure
- Leading role in preparing the Memorandum on Commercial Regime for the World Trade Organization
- Studies on release periods for Customs
- Support to TradeInvest while conducting an audit to the Investment Certificates
- Tax Policy Options for Sustainable Growth in Timor-Leste (VAT)
- Tax Administration reform program
- Tax Administration in Timor-Leste: Recommendations for Discussion
- Tax Reform Strategy recommended for Timor-Leste
- Tax Options for Oe-Cusse Ambeno
- Document “Sunnier Prospects”

- Conceptual Note on Public Financial Management reform
- Communication Strategy

Policy for better service delivery

Currently a Review of the Legal and Operational profiles of the Current Autonomous Agencies and State Enterprises is being drafted and, with the support of the Asian Development Bank, the political framework is being prepared to (1) calculate and collect fees and payments on public services; and (2) lay down the functioning of Autonomous Public Agencies.

Ongoing

Documents are being prepared, such as: a general study to strengthen the fees and payments framework, the technical requirements to set up the *CPLP* One-Stop Shop (to be presented at a *CPLP* meeting in October 2017) and a review on impact towards wellbeing.

Set up a new Tax Authority

As part of the fiscal reform program, a new Tax Authority was set up to respond to the growing needs of the population and of the economy. Over the next five years, tax administration will be completely reformed. New tax laws and procedures provide the legal basis for the reforms. New IT systems will make it easier to collect and pay taxes and the tax agents will receive training on how to use the new systems. Finally, the recruitment of new tax agents will ensure the Tax Authority has enough qualified human resources to implement the reforms.

To demonstrate the importance of human resources development for the reforms, the current tax agents will receive training during the next two years to understand the new processes and laws and to develop capacities related to auditing, taxpayers' services, risk management and processing tax statements. The training will include practical training and working sessions conducted by national and international tax experts.

Set up a new Customs Authority

As part of the fiscal reform program, a new Customs Authority was set up to ensure that the country can reply to four critical challenges that will have an impact in the future prosperity of the country; (a) ensure that revenues are collected in a suitable, effective and transparent manner; (b) ensure that Timor-Leste can protect its borders against illegal and dangerous assets; (c) facilitate trade; and (d) manage the increasing number of people entering in and leaving the country. The new Customs Authority will ensure that customs follow strict international rules.



Since the end of 2014, many changes have occurred within Customs to improve its functioning. These changes include the legal update of customs activities, the implementation of new IT systems to modernize and automate the processing of goods and the collection of revenue, ensuring customs agents have the right skills to properly perform their tasks. In October 2016, the Council of Ministers approved the new Customs Code and the Revised Arusha Declaration, which set out the legal basis of the reforms and impart integrity to all processes. Finally, the recruitment of new customs agents and the training of the current agents will ensure the Customs Authority has enough qualified human resources to implement the reforms.

National One-Stop Shop

Timor-Leste has started to lay down the foundations of a National One-Stop Shop as part of the fiscal reform program to establish a modern and professional Customs Authority and to improve trade facilitation. The first step was to update the Customs IT system for ASYCUDA World, to automatize customs procedures and establish the Customs One-Stop Shop.

ASYCUDA World is an integrated management IT system that allows the modernization of customs. Currently, programs are being piloted to gradually extend the use of ASYCUDA World to transporting companies and brokers, for them to deliver their manifest electronically. The pilot stage also allowed the recruitment of national computer programmers and their training in ASYCUDA World. Practical and technical capacity building will be provided to introduce the system to more users of public and private sectors.

The next step consists of having ports, airports and quarantine services using the system to process all trade-related information and transactions. Customs are also working with the Central Bank and other banks to introduce electronic payments by using the ASYCUDA system. Gradually, other users will be included to facilitate trade. We will have a National One-Stop Shop when all traders and public and private institutions involved in imports and exports use the ASYCUDA World system.

Timor-Leste is currently promoting and working with *CPLP* member states to start a *CPLP* One-Stop Shop integrating commercial procedures between *CPLP* countries, in order to connect *CPLP* to the ASEAN region. The ultimate goal is to realise Timor-Leste's potential and connection between ASEAN and *CPLP* markets.

The customs, tax and commercial reforms will also help Timor-Leste in its future integration with ASEAN member states and other countries with commercial agreements with ASEAN, such as China, Japan, South Korea, Australia, India and New Zealand. This places Timor-Leste in a single position to connect a global market with more than 2.4 billion people.

Next steps

The Fiscal Reform Commission will keep undertaking its implementation work regarding the fiscal reform plan approved in the Council of Ministers on September 21st, 2015, developing policies and legislation on reform regarding fees and payment, keep the tax and customs reform and supervise the development of the national one-stop shop.

CRF also serves as Secretariat to the Setting-Up Committee regarding Tax and Customs Authorities. As Secretariat, CRF will implement the Authorities according with the law. This includes: the recruitment of qualified officers for each Authority; the implementation of new IT and administrative systems; the supervision of training requirements and internal and external communications of new Authorities.



Public Administration Reform

Public Administration has a key role in building the Nation and in developing good governance. Improving leadership, management and performance, transparency and accountability will mean better service delivery, thus increasing confidence in State institutions while also ensuring the people's interests.

There is currently a gender gap within public administration cadres with 29,873 civil servants, out of which, 20,652 are male and only 9,221 are female.

Most civil servants are between 30 and 44 years old (around 64%) or between 45 and 65 years old (around 30%). Most officers are classified according with administrative category, followed by professional category.

One of the challenges is how to address the low education standards among civil servants. Some 7,235 officers have a university degree, 19,450 completed secondary education and 2,463 only concluded basic education (data December 2015).

It is important to start a new cycle of Public Administration Reform that drives more and better public services for the citizens. A more sustainable, efficient and effective public sector, that is more accountable, promotes gender equality and that is more transparent and productive is critical to build a trusting relationship between society and State institutions.

Based on this, we launched a new stage of Public Administration Reform, we established a National Commission for the Public Administration Reform and we approved a Guide for Public Administration Reform 2015-2017.

The Guide is based upon four cornerstones:

- a) Institutional Strengthening
- b) Civil Service Strengthening
- c) Reform and capacity build the National Institute of Public Administration
- d) Strengthen the control of administrative, financial and assets management through the Inspectorate-General of the State

The Secretary of State of Institutional Strengthening (SEFI), the Civil Service Commission (CFP), the National Institute of Public Administration (INAP) and the Inspectorate-General of the State (IGE) have worked together to identify the priority targets and, in particular, all key legislation

regarding each cornerstone, to review the foreseen targets and the schedule of priority legislation. Therefore, and regarding **Institutional Strengthening**, we approved the Institutional Strengthening Policy and we are revising the organisation matrix of the institutions; we drafted a Decree-Law on Public Administration Organization and a standardization policy on the capacity development program for all civil service.

In terms of administrative modernization, we approved a Law Proposal regarding the Skill Standards for applicants to leading positions and we completed the Style Guide for Public Administration (so to standardise administrative procedures in the civil service), yet to be discussed by the working group.

Regarding **Civil Service Strengthening**, we approved the Leadership Positions Regime, so to standardise the career system in force; the Skill Standards for applicants to leadership positions; the second amendment to the General Career Regime for Public Administration, which updates remuneration for civil servants; the Decree-Law on Distinctions and Prizes in the Public Administration; the Government Resolutions approving the National Day of Civil Service, the National Uniform and the Civil Servant's Card; and the Decree-Law on the Senior Officers' Career in the Public Administration.

We standardised the agreements applicable to agents of the Administration and we shared a working model contract to be executed with agents of the Public Administration and other collaborators.

We are also analysing the work force across State institutions, to adjust the map of personnel in each organisation, and we plan to submit the conclusions still during this year.

Regarding the third cornerstone, **Reform and capacity build the National Institute of Public Administration**, we approved a New Organic Law Proposal, which amends Decree-Law no. 25/2012, 3 July, adjusting the role of INAP to its mission and granting the organization, functional and financial elements needed to establish INAP as a leading vocational training centre for the Public Administration. We also approved the salaries of the INAP trainers and we are reassessing the scholarship scheme. We are reassessing the scholarship scheme and we will, during this year, implement the skill development programs regarding all senior managers as a precondition in terms of career development.

Finally, the last cornerstone **Strengthen the control of administrative, financial and assets management through the Inspectorate-General of the State**, we finished the Second Amendment Proposal to the Decree-Law no. 22/2009 on the Statute of the Inspectorate-General of the State and the Law Proposal on the Control National System for the Public Administration, to be submitted to the Council of Ministers until term of office.

The Guide for Public Administration Reform includes several tools for different State institutions. It also aims to be a background document with a long-term strategic vision because its full implementation exceeds this Government's mandate, following what is defined in our Strategic Development Plan 2011-2030.



Legislative and Justice Sector Reform

The Legislative Reform and Justice Sector Commission (CRL) was established by Government Resolution on August 26th 2015, to harmonise and develop legislation in priority areas, including in the justice sector.

The Commission consists of the President, two Permanent Commissioners and one Non-Permanent Commissioner. The Commission took office in December 2015.

The new Commission was established by the Sixth Constitutional Government, aiming to issue recommendations, assess the implementation of laws and harmonise legislation. The work of the Commission is an integral part of a reform package, started this year by the Government, to improve service delivery effectiveness and efficiency and promote good governance and institutional development.

CRL enables, fosters, promotes and develops strategies, opinions, reports, studies and recommendations for a legislative and justice sector reform, that are comprehensive, and relate with coherence towards achieving the goals of the State of Timor-Leste.

Since the Commissioners took office, CRL has held several hearings regarding the needs and priorities of reform, engaging Justice Sector, Government, Civil Society institutions and Development Partners.

The participation in the reform is guided towards the strict compliance with the supervising Ministry, independence and autonomy of each of the relevant institutions. The relationship with the National Parliament, the Government, the Ministry of Justice, the Coordination Council for Justice, the Courts, the Public Prosecution Service and the Public Defender's Office, as well as with Lawyers, local NGO's and other entities are key to this reform. Technical support and cooperation of the Development Partners are also needed for the legislative reform process.

Among its main activities, within the overall analysis of the state of legislation, CRL produced:

- Methodology to review the state of legislation (Terms of Reference, survey and sectorial report);
- Government Resolution no. 38/2016, 23 November;
- Survey on sectorial legislation;
- Report on legislative analysis.

Within the analysis of the legal-drafting process at the Government level, CRL drafted a Report on the Analysis of the Government Legal-Drafting Process.

In terms of adjusting and developing the substantive criminal law, it was drafted a Specialized Report on Substantive Criminal Law in Timor-Leste.

Regarding the dispute resolution policy centred in the society, CRL produced: the Specialized Report on Formal Justice in Timor-Leste (also including the Preliminary Assessment of Court Enforcement of the Law against Domestic Violence and assessment of the Criminal Procedure Law in Timor-Leste) and the Specialized Report on Informal Justice in Timor-Leste.

Regarding the reform of the Civil Code related with the ongoing initiatives, a Conceptual Note was drafted on the Law and Property Legal Framework in Timor-Leste and on the Family and Marriage Legal Framework in Timor-Leste.

Regarding the adjustment and development of commercial laws, it was produced a Specialized Report on the Legal Framework of Commercial/Economic Activity in Timor-Leste.

Regarding the institutional and legal support to continue the legislative and justice sector reform, it was drafted the Proposal of Institutional and Legal Support to Continue the Legislative and Justice Sector Reform.

Finally, in order to draft an agenda and program for legislative and justice sector reform, it was produced a Proposal of Public and Strategic Reform Policy.

Within its powers, CRL promotes actions that aim to increase legal awareness of the citizens, encourage the dissemination of laws by the concerning institutions, due to their social responsibility and receives and reviews submissions by citizens and organizations, looking for legislative improvement. Also receives proposals from experts that, encouraged to cooperate, expand the reforming capacity in a transversal process. You may follow the progress made by CRL through the website www.crl.gov.tl.



Special Administrative Region of Oe-Cusse Ambeno and Special Zones of Social and Market Economy

Legal framework

Complying with the constitutional mandate, that sets out a special economic status for Oe-Cusse Ambeno and Atauro, the Special Administrative Region of Oe-Cusse Ambeno (RAEOA) was established in 2014, along with the Special Zone of Social Market Economy (ZEESM), in accordance with the framework stipulated in Law no. 3/2014, of 18 June.

By Decree of the President of the Republic no. 22/2014, of 25 July, Dr Mari Alkatiri was appointed the President of the Authority of the Special Administrative Region of Oe-Cusse Ambeno.

Goals

The Region with administrative, financial and patrimonial autonomy, pursues as its main goal, the inclusive and sustainable development of Oe-Cusse Ambeno, which promotes the wellbeing and better quality of life for its population. For this purpose, strategic sectors such as agriculture, health and education, tourism and other key economic activities, along with the development of basic and strategic infrastructures, are critical intervention areas.

Main achievements 2015-2016

1) Infrastructure

The implementation model advocated by the President of the Authority consists of three stages - design, construction and maintenance - and quality as a key requirement which make the projects feasible. For this purpose, inspection is an important and critical component, of monitoring the execution and fulfilment of the agreements.

Main ongoing projects	Status of implementation and approved Budget
Road project Package I	58% Executed, 41 million dollars
Road project Package II	58% Executed, 35 million dollars

Main ongoing projects	Status of implementation and approved Budget
Project Bridge Noefefan Tono Package III	Completed, 17 million dollars
Project Power Plant	Completed in November 2015, supplying electricity to 17,819 consumers of 18 sucos, 31 million dollars
Project Tono Irrigation System	97.63% Executed, 11.5 million dollars
Drilling Project and Drinking Water Systems	94 water systems installed, 5 boreholes with 60m (hospital, clinic, PNTL barracks, building BPU/PNTL and Administrative and Residential Building). Water supply to Pante Makassar (2 boreholes with 80m), around 4.9 million dollars
Project International Airport	21.11%, 119.9 million dollars
Plane ZEESM TL	Already bought and operating, 7.2 million dollars
Passenger ship “Haksolok”	Completed, 13.3 million dollars
Project Ambeno Hotel	62.32%, 9.4 million dollars
Project Garden and Sports park 30 July	Completed, 1.5 million dollars
Regional Hospital rehabilitation project and building primary care	Construction/rehabilitation of the special nursing ward/VIP, intensive care unit, blood bank, medicines/consumables storage, maternity, health posts, health professionals housing.
Project building new schools/ libraries	Agreements signed and construction to take place soon of 21 Schools and 5 libraries

2) Education and Social Solidarity

In addition to the investment in building and/or rehabilitating new infrastructure for schools, libraries and housing for teachers; learning materials were distributed to 86 schools and the implementation of the School Feeding Program was monitored in 82 schools. School grants were given and the learning process was supervised at primary level and ETV schools.

The Vocational Training program was also implemented, covering 100 SRESS workers.

Other national programs such as the Rural Employment Program, Social Support, Bolsa da Mãe, and rice supply were ensured together with relevant government bodies.

3) Territorial Management and Registration

Key activities undertaken regarding the identification and assessment of property whose owners/communities were affected by infrastructure projects and solved via (?) dispute resolution. Carried out work in terms of land-use planning and improving the system, land management and real estate belonging to the State.

4) Health

In line with the goals and policies for this sector; efforts were made to achieve universal health coverage in the Region and to make healthcare available to the population. Resources were also invested to improve infrastructure; this is ongoing.

5) Agriculture and Rural Development

Programs and activities were developed in the area of organoponics horticulture (a system of organic farms), establishment of centres and nurseries, animal production, and others. The development and production of seeds and support to the farmers, through material supply, awareness actions and disaster-prevention initiatives were also carried out.

The forest protection, the treatment and prevention of animal disease, professional training and seminars were also implemented as critical to support and promote the development of the agriculture and rural sectors.

6) Community Tourism

Associating several areas including trade, industry, cooperatives, environment, and business development; several key activities were implemented for the social and economic promotion of the region. The Business Development Centre was monitorized while delivering the service of registering businesses and micro-enterprises. Womens' participation was promoted regarding industry, groups were supervised, several trainings were held in terms of gender, cooperatives, industry, and tourism, among others. Audiovisual contents were produced to promote the Region abroad, e.g. in the Arts and Movies Festival of Arrábida (in Portugal). Sports and cultural events were carried out, including the international yacht race Darwin-Díli-Oe-Cusse, and markets.

Source: Information extracted from the Annual Activity and Budget Execution Reports RAEOA and ZEESM - TL 2015 and 2016



Community of Portuguese Speaking Countries

Presidency *pro tempore* [July 2014 to November 2016]

Timor-Leste assumed, for the first time, the presidency *pro tempore* of the Community of Portuguese-Speaking Countries (*CPLP*) for the biennium 2014-2016. This was also the first time the Presidency was organized and conducted in Asia; as such we tried to innovate and promote the engagement of all member States, namely through two tours in the *CPLP* countries, including Equatorial Guinea. We also saw the establishment of a preparatory committee of the Summit of Heads of State and Government, including representatives of all members States and of the Executive Secretariat of *CPLP*.

The Presidency of *CPLP* by the Republic of Timor-Leste represented a joint effort by the Fifth and Sixth Constitutional Governments. The active and committed participation of all members States and the Executive Secretariat of *CPLP*, allowed for inputs and to get acquainted with the expectations regarding a presidency that aimed to be inclusive, ambitious and open to discuss how to best address national and international challenges.

Presidency of Timor-Leste

Under the theme “*CPLP* and Globalization”, we developed an ambitious action plan, focused on the economy and on entrepreneurship, without waiving the structuring components of the Community such as the promotion and dissemination of Portuguese, political and diplomatic dialogue, mobility and/or food safety.

The program of the Timorese Presidency focused on 4 priorities:

1) Political and diplomatic dialogue

Our efforts focussed on monitoring the situation in Guinea-Bissau and we tried to contribute for more coordinated and effective action in to stabilize this sister country vying to re-establish constitutional order. An International Conference of Donors for Guinea-Bissau was successfully held in 2015. In a broader perspective, we took the opportunity of participating in international fora to strengthen the dialogue to reinforce the position and coordination of member States in key issues of the international system. We also took the opportunity to promote *CPLP* and its agenda in the ASEAN region and in Asia in general.

2) Aid for development

As a strategic aim to boost cooperation among member States, we promoted technical and sectorial meetings. We worked closely with the Executive Secretariat of *CPLP*. We provided ongoing support for cooperation projects and other key initiatives regarding the shortfalls and needs of some key areas of the social and economic sectors.

3) Economic and business cooperation

As a priority for our presidency, we invested in fostering economic and business cooperation with some innovating initiatives, where we highlighted the organization of the First Global Economic Forum. This event helped to raise awareness of and foster entrepreneurship inside the Community. We also worked closely with the *CPLP* Business Confederation and *CPLP* Exporters Union, with whom we developed an ongoing activity program to reinforce aid, promote internationalization and, most importantly, to use *CPLP* as a privileged platform for economic development.

4) Promotion of the Portuguese language

Following the action plans of Brasilia 2010 and Lisbon 2013, we organized in Díli in 2016 the Third International Conference on the Future of the Portuguese Language in the World System, attended by countries in this region. This event gathered growing interest in the Portuguese Language. We also attempted to help the strengthening of the International Institute of Portuguese Language (IILP); a body whose main structure aims to promote of our shared language. It was also during our presidency that the National Parliament ratified the Statutes of IILP as another important step to reinforce the mission pursued by this institution.

Tenth Summit of Heads of State and Government of *CPLP*

In this high-level meeting, held on July 23th, 2014, in Díli; 21 Resolutions and 6 Declarations were approved.

Political and diplomatic dialogue:

1. Resolution of the Ascension of the Republic of Equatorial Guinea to *CPLP*;
2. Resolution regarding the set up of a Working Group to Define a new Strategic Vision of *CPLP*, Globalization;
3. Resolution to Grant the Associated Observer Status inside *CPLP*;
4. Resolution Recommending the Grant of the Associated Observer Status inside *CPLP* to Georgia;
5. Resolution Recommending the Grant of the Associated Observer Status inside *CPLP* to Namibia;

6. Resolution Recommending the Grant of the Associated Observer Status inside *CPLP* to Turkey;
7. Resolution Recommending the Grant of the Associated Observer Status inside *CPLP* to Japan;
8. Resolution to Grant the Consulting Observer Status inside *CPLP*;

Aid and Portuguese Language:

9. Resolution on the Declaration for the Food and Nutritional Safety Council of *CPLP* (CONSAN-CPLP);
10. Resolution on the Indicative Cooperation Programme of *CPLP* after 2015;
11. Resolution on the Strategic Plans of Sectorial Cooperation of *CPLP*;
12. Resolution to keep until 2025 Food and Nutritional Safety in *CPLP* agenda;
13. Resolution on the Multilateral Welfare Convention of *CPLP*;
14. Resolution on Culture in the Agenda for Development after 2015;
15. Resolution on Science, Technology, Higher Education in the Agenda for Development after 2015;
16. Resolution on Education in the Agenda for Development after 2015;
17. Resolution on *CPLP* Business Confederation;
18. Resolution on the establishment of a technical group to study the joint exploration and production of oil and gas within *CPLP*;
19. Resolution on the Audit Reports to the Financial Statements of the Executive Secretariat of *CPLP* in 2013 and IILP in 2012;
20. Resolution on the operating budget of the Executive Secretariat of *CPLP* for the financial year 2015; and
21. Resolution on the Operating Budget of the International Institute of Portuguese Language (IILP) for the financial year 2015.

Throughout mandate, the Sixth Constitutional Government held over one hundred Council of Ministers' Meetings, where 439 legal drafts were approved including Law Proposals (43), Decree Laws (133), Government Decrees (48), Government Resolutions (129) including other resolutions (86).



**SNAPSHOT OF THE SIXTH
CONSTITUTIONAL
GOVERNMENT MANDATE
[2015 - 2017]**

**LEGISLATION
APPROVED**



Draft Laws

2015

1	Draft Law on Local Governance and Administrative Decentralization
2	First Amendment to the Territorial Administrative Division Law
3	Draft Law approving the First Amendment to Law no. 6/2014, of December 30 th , approving the State General Budget for 2015
4	Draft Law on the General Population and Housing Census
5	Draft Law on Local Government and Administrative Decentralization
6	Draft Law approving the First Amendment to the Territorial Administrative Division Law
7	Draft Law on Electoral Census
8	Draft Law on Municipal Elections
9	Draft Law approving the First Amendment to the Political Parties Law
10	Second Amendment to the Law on Electoral Administration Bodies
11	Draft Law on the Fight Against Drug Trafficking
12	Draft Law on the Fight Against Human Trafficking
13	Draft Law on the Establishment of Timor-Leste's Bar Association
14	Draft Law on the First Amendment to the Community Leaders and Their Election Law
15	Draft Law on Migration and Asylum
16	Draft Law on the Procedure for the Granting of a Pardon
17	Draft Suco Law

2016

19	First Amendment to Law no. 10/2005, of August 10, on the National Holidays and Official Commemorative Dates
20	Draft Law on Social Welfare Contributory Framework
21	Draft Law on the Special Regime on the Ownership of Immovable Property
22	Draft Law on Expropriation for Public Utility
23	Draft Law on the General Regime for Administrative Offences
24	Draft Law on Export Promotion
25	Draft Companies Law

26	Draft Law on the First Amendment to Law no.10/2009, of August 5 (Remuneration Statute of Judicial Magistrates, Prosecutors and Public Defenders)
27	Draft Law for the First Amendment to Law no. 1/2016, of January 14, approving the State General Budget for 2016
28	Draft new Law on Private Investment
29	Draft Mining Code
30	Draft Law establishing the Legal Regime of Public Professional Associations
31	Adopted the Second Amendment to Law no. 11/2009, of October 7 (Territorial Administrative Division)
32	Draft Law on State General Budget for 2017
33	Draft Amendment to Law no. 7/2007, of July 25 th , on the Status of the Holders of Sovereign Bodies
34	Draft Law approving the Social Security Budget for 2017
35	Draft Law on arbitration, mediation and conciliation
36	Proposals for Law approving the control regime for entry and exit from the national territory, of passengers, motorcycles, mopeds and transport vehicles
37	Fifth Amendment to Law no. 7/2006, of December 26 (Electoral Law for the President of the Republic) and Fourth Amendment to the Electoral Law for the National Parliament
38	Draft Law on the General Regime on Forestry

2017

39	Draft Law on the crimes of manufacture, importation, transport, sale, transfer or possession of rama ambon (a handheld instrument designed to launch blades, arrows, short arrows or shafts), use of weapons to commit crimes and the unlawful practice of martial arts and rituals
40	Draft Law on the establishment of the Asset Recovery Office and the Asset Administration Office
41	Draft Law on Child Protection
42	Draft Law on Legislative Authorization regarding business recovery and insolvency
43	Draft Law on Health, Safety and Hygiene at Work

Decree Laws

2015

1	Decree Law approving the Statute of the Special Administrative Region of Oe-Cusse Ambeno
2	Decree Law approving the Legal Framework for the Minimum Standard Curriculum for Higher Education
3	Decree Law approving the Regulation of Medals of Honour for Defence and the F-FDTL
4	Decree Law approving the Structure of the Sixth Constitutional Government
5	Decree Law approving the Legal Framework of fixed-term work in Public Administration
6	Decree Law approving allowances for abroad work displacement
7	Decree Law approving the attributions for professionals of public finance management
8	Second Amendment to Decree Law no. 8/2011, of March 16, which regulates the Infrastructure Fund
9	First Amendment to Decree no. 2011/12 of March 23, which regulates the Human Capital Development Fund
10	Decree Law approving the creation of Council for the Final Delimitation of Maritime Boundaries
11	Decree on the Combatants for the National Liberation Council
12	Decree Law approving the National Payments System
13	Decree Law approving the Structure of the Ministry of State Administration
14	Decree Law approving the Structure of the Ministry of Defence
15	Decree Law approving the Structure of the Ministry of Health
16	Decree Law approving the extinction of the Autonomous Service of Medication and Health Equipment (Portuguese acronym: SAMES)
17	Decree Law approving the establishment of the Autonomous Service of Medication and Health Equipment (SAMES)
18	Decree Law approving the Structure of the Ministry of Agriculture and Fisheries
19	Decree Law approving Judicial Holidays
20	Decree Law approving the Structure of the Secretariats of the Public Prosecutor's Office
21	Decree Law approving the Structure of the Ministry of Justice
22	Decree Law on Planning, Budgeting, Monitoring and Evaluation
23	Decree Law approving the Structure of the Ministry of Foreign Affairs and Cooperation
24	Decree Law approving the structure of the Anti-Corruption Commission
25	Decree Law approving the career of Anti-Corruption Specialists
26	Decree Law approving the Structure of the State Secretariat for Employment Policy and Vocational Training
27	Decree Law that establishes the structure of the Ministry of Interior
28	Decree Law that establishes the structure of the Ministry of Tourism, Arts and Culture
29	Decree Law that establishes the structure of the Ministry of Planning and Strategic Investment

30	Decree establishing the Press Council and approving its Statutes	SPEECHES
31	First Amendment to Decree Law no. 19/2003, of October 8, on the Regulation of Timor-Leste's Port Tariffs	
32	First Amendment to Decree Law no. 4/2012, of February 15, on the Integrated Municipal Development Planning	SOCIAL
33	First Amendment to Decree Law no. 8/2013, of June 26, on the General Framework of the National Programme on Suco Development (Portuguese Acronym: PNDS)	
34	Decree Law that establishes the structure of the Ministry of Social Solidarity	
35	Decree Law approving the structure of the Ministry of Commerce, Industry and Environment	INFRASTRUCTURE
36	Decree Law that establishes the structure of the Ministry of Finance	
37	Decree-Law that defines the appointment and assigning framework for the Ministry of the Interior's liaison officers, as well as the regime for the involvement of the security forces and services, as well as civil protection officers in international missions	
38	Decree that establishes the structure of the Presidency of the Council of Ministers	
39	Decree Law approving the structure of the State Secretariat of the Institutional Strengthening	ECONOMIC
40	Decree Law on rice importers' licensing	
41	Decree Law establishing Timor-Leste's National Register of Ships and Vessels	GOVERNANCE
42	Decree Law on Tibar Port's Public-Private Partnership Legal Framework	
43	Decree Law on Tobacco Control	
44	Decree Law on the extraordinary payment of one month's base salary to the public sector	DID YOU KNOW THAT
45	First Amendment to Decree Law that created the National Petroleum Authority	
46	Decree-Law on Awards and Prizes in the Public Administration	
47	Decree-Law approving the Licensing, Operation and Control Process of Social, Entertainment, Traditional and Machine Gambling Activities	
48	Decree Law that establishes the structure of the Ministry of Education	

2016

49	Decree Law approving the Statute of Municipal Administrations, Municipal Authorities and the Technical Inter-Ministerial Group for Decentralization	LEGISLATION
50	Decree Law approving the Statute of the Presidents of Municipal Authorities and Municipal Administrators	
51	First 1st Amendment to Decree Law no. 2/2009, of January 15, on the Special Legal Regime of Procurement for the Autonomous Service of Medication and Health Equipment, EP (SAMES)	GENERAL STATE BUDGET
52	Decree Law approving the Land-use Plan for the Island of Ataúro	
53	Decree Law that regulates the Infrastructure Fund	
54	Decree Law on the National System for Protected Areas	
55	Decree Law on the Legal Regime of the Toponymy and Numbering of Buildings	

56	Decree Law on the Commission for the Final Delimitation of Maritime Boundaries
57	First Amendment to Decree Law no. 20/2003, of November 13, on the Legal Currency in Timor-Leste
58	Second Amendment to Decree Law no. 19/2010, of December 1, on the Statutes of the General Labour Inspectorate
59	Decree Law on the statutes of the diplomatic career
60	Decree Law on the structure of the State Secretariat for the Support and Socio-Economic Promotion of Women
61	First Amendment to Decree Law no. 17/2009, of April 8 (Regulations regarding the Military Service Law)
62	First Amendment to Decree-Law no. 6/2014, of February 24, on the material resources and financial incentives of community leaders
63	Decree Law that regulates the Infrastructure Fund
64	First Amendment to Decree-Law no. 11/2013, of August 7, which approved the Procurement Scheme of PIMD
65	Decree Law on Offshore Petroleum Operations
66	Decree Law on Licensing of Electrical Energy and Tariffs Regulation
67	Decree Law on the regime of training activities of the Legal and Judiciary Training Centre
68	Decree Law on the structure of the Ministry of Public Works, Transport and Communications
69	Decree Law on the Basic Law for Land Use
70	Decree on the First Amendment to the structure of the Ombudsman for Human Rights and Justice
71	Decree Law on the structure of the State Secretariat of Youth and Sports
72	Decree Law on the licensing process of advertising messages
73	Decree Law on the structure of the National Library
74	Decree Law on the legal framework of the Legal Deposit of publications in Timor-Leste
75	Decree Law approving curriculum of the National Equivalence Programme for Basic Education
76	Decree Law on the Legal Regime for Licensing and Operation of Travel Agencies
77	Decree Law on the Legal Framework for the Classification of Campsites
78	Decree Law amending Decree Law No. 11/2012, on Hospitals of the National Health Service
79	Decree Law of the Statute of the National Hospital Guido Valadares (HNGV)
80	Amendment to Decree Law no. 42/2008 that transforms the Radio and Television of Timor-Leste into a Public Company
81	Decree Law on the structure of the Ministry of Petroleum and Mineral Resources
82	Decree Law on the Regime for Ministerial Offices
83	Decree Law establishing the Authority for Inspection and Supervision of Economic, Health and Food Activities, PI
84	Decree Law on rules concerning access and classification of official documents
85	Second Amendment to Decree Law no. 27/2008 on the Public Administration's General Careers Regime

86	Decree Law on Leadership Positions Regime in the Public Administration
87	Decree Law on the First Amendment to Decree Law no. 7/2014, of April 12, on the Statutes of the Military of the Armed Forces
88	First Amendment to the structure of the Technical Secretariat for Electoral Administration (STAE)
89	Decree Law approving the transitional regime for the appointment of management positions and heads of municipal authorities and municipal administrations during the phase of administrative de-concentration
90	Decree Law creating the Committee for establishing the Authority for Inspection and Supervision of Economic, Health and Food Activities, PI
91	First Amendment to Decree Law that created the Civil Aviation Authority of Timor-Leste
92	Decree Law on the rules relating to access and classification of official documents
93	Proposed amendment to the Decree Law no. 39/2008, of October 29, which approves the Statute of the National Health Laboratory
94	Decree Law establishing the Polytechnic Institute of Betano and approving its Provisional Statutes
95	Repealed, as proposed by the Minister of Public Works, Transport and Communications, the Decree-Law N. 40/2012, of September 5, on the National Electrification Programme
96	Decree Law on the legal passports framework
97	Decree Law of the new Customs Code
98	Proposed amendment to Decree Law no. 1/2012, February 1
99	Proposed amendment to Decree Law no. 33/2014, December 3, which creates the Institute for Research, Development, Training and Promotion of Bamboo
100	Decree Law establishing the “Chega” National Centre, IP
101	Decree Law establishing the National Institute of Social Security, IP
102	Decree Law appointing the focal points and technicians to the Legislative Reform, by sectors
103	Decree Law approving the structure of the Tax and Customs Authorities, proposed by the Ministry of Finance and the Fiscal Reform Commission
104	Amendment to Decree Law no. 6/2005
105	Decree Law on the extraordinary payment of one month’s base salary to the public sector

2017

106	Decree Law that approves the structure of the National Archive of Timor-Leste
107	Decree Law approving the structure of the National Institute of Public Administration (Portuguese acronym: INAP)
108	Decree Law approving the Statute of Municipal Administrations, Municipal Authorities and the Technical Inter-Ministerial Group for Decentralization
109	Decree Law on the career of senior professionals in Public Administration

110	Decree Law on the food and nutritional security national policy
111	Decree Law that establishes the legal structure of the Combatants for the National Liberation Council
112	Decree Law on limited duration parking
113	Decree Law on the Services for Registration and Verification of Entrepreneurs (SERVE)
114	Decree Law on the use of official languages in the justice sector
115	Decree Law on the new statute of the Public Defender's Office
116	Decree Law establishing the National Press of Timor-Leste
117	Amendment to Decree Law no. 52/2016, of December 28, which approved the new passport framework
118	Amendment to Decree Law no. 8/2008, of March 5, which creates the National Labour Force Development Institute (INDMO)
119	Decree Law on the statutes of Eduardo Ximenes Regional Hospital (Baucau)
120	Decree Law approving the Legal Regime of Disability and Old Age Pensions in the framework of the Social Welfare Contributory Regime; the Legal Regime of Protection in Maternity, Paternity and Adoption; and the Legal Regime of Death Benefits
121	Decree Law approving the allocation of an extraordinary subsidy for the members of the Elections Administration entities in Timor-Leste
122	Decree Law on the legal framework of Timorese cultural heritage
123	Decree Law approving the creation of TATOLI – Timor-Leste News Agency, IP
124	Decree Law approving the Registration and Contributory Obligation System
125	Decree Law of the Commercial Register
126	Decree Law on the establishment of population centres
127	Decree Law approving the creation of the national mining company called Murak-rai Timor-Leste, SA
128	Decree Law approving the First Amendment to the structure of technical and administrative services of the General Prosecutors' Office of the Republic
129	Decree Law approving the legal framework for protection and conservation of biodiversity
130	Decree Law approving the Registration and Contributory Obligation System under the Social Welfare Framework
131	Decree Law establishing the powers, structure and functioning of the National Council of Youth Development
132	Decree Law establishing the Institute of Information and Communication Technologies, IP – TIC Timor
133	Decree Law establishing the credit guarantee framework for small and medium-sized companies

Government Decrees

2015

1	Government Decree approving the remuneration of the Governor and Deputy Governors of the Central Bank
2	Government Decree on national mourning in honour of Fernando La Sama de Araújo
3	Fifth Amendment to Government Decree no. 2/2007, of August 1, regulating the status of holders of sovereign bodies
4	Government Decree on the payment supplements to officials attached to the process of the State General Budget for 2016 and closing of the State Accounts for 2015
5	Government Decree on the Legal Framework of fixed-term work in Public Administration

2016

6	Government Decree approving the implementation of the State General Budget for 2016
7	Government Decree on the Amendment to Decree no. 1/2016, of February 1 (Budgetary Implementation)
8	Government Decree on the Special Procedure for Selection of the Presidents of Municipal Authorities and Municipal Administrators
9	Government Decree on the Framework for the Evaluation of Professional Performance of Presidents of Municipal Authorities and Municipal Administrators
10	Government Decree on the Remuneration and Status of Presidents of Municipal Authorities and Municipal Administrators
11	Government Decree on the remuneration and ceremonial status of the Presidents of the Municipal Authorities and Municipal Administrators
12	Government Decree on designation of origin rules
13	Government Decree on the Procedure Rules of the Military Defence Superior Council
14	Government Decree on the National Work Council
15	Government Decree which approves and regulates the granting of special incentives to Pre-School Educators and teachers of Basic and Secondary Education, within the curriculum development as well as ongoing and specialised teacher's training
16	Amendment to the Government Decree on the Budget Implementation of the State General Budget for 2016
17	Government Decree which approves the forms for the electoral census
18	Government Decree fixing the dates for meetings of the Hamlets and Villages Councils under the procedures for the election of community leaders
19	Government Decree on remuneration of the Bodies of the Authority for Inspection and Supervision of Economic, Health and Food Activities, PI
20	Government Decree on the change of dates for meetings of the Villages and Hamlets Councils under the procedures for the Election of Community Leaders
21	Government Decree establishing the rules for electing the members of the Hamlets Councils
22	Government Decree approving the technical procedures for the completion and updating of the electoral census database
23	Government Decree that regulates the process of opening escrow bank accounts and signing of escrow deposit contracts, in the framework of the implementation of the Public Private Partnership for the Tibar Port

24	First Amendment to the Government Decree no. 1/2016, of February 1, on the implementation of the State General Budget for 2016
25	Government Decree on granting a subsidy to the members of the Committee for establishing the Polytechnic Institute of Betano (Portuguese acronym: CIPB)
26	Government Decree on Dili's urban solid waste management system
27	Government Decree on the payment supplements to officials attached to the process of the State General Budget for 2017 and closing of the State Accounts for 2016

2017

28	Government Decree which approves the budget implementation for 2017
29	Government Decree on the improvement of rural infrastructure
30	Government Decree which governs the transition of staff from MFAC to the diplomatic career
31	Government Decree on Extraordinary and Temporary Subsidy to address Wage Reduction
32	Government Decree on the technical procedures for conducting of the presidential elections abroad
33	Government Decree which governs the conduct of the election campaign
34	Government Decree regulating the organization and functioning of voting centres and polling stations, and what regulates the procedures of voting, counting of votes and tabulation of results
35	Government Decree on the implementation of the electoral process, as well as journalistic coverage activities of the electoral process
36	Government Decree on the voting process in hospitals and prisons
37	Government Decree on the presence, exceptionally, of PNTL officers in voting centres
38	Government Decree on the procedure for submission of proposals for the classification as protected area
39	Government Decree which approves the remuneration arrangements of the leadership of the National Centre <i>Chega! Da Memória à Esperança</i>
40	Government Decree on the acts and administrative procedures relating to access to official documents
41	Government Decree which sets the dates for the meetings of the Villages and Hamlets Councils in the context of the mid-term processes for the election of community leaders
42	Government Decree which approves the regulation on the submission of nominations for the election of National Parliament Members (MPs)
43	Government Decree which regulates the activities of supervision, observation and media coverage of the election of National Parliament Members
44	Government Decree which approves the technical procedures for conducting parliamentary elections abroad
45	Government Decree which regulates the organization and functioning of voting centres and voting procedures, vote counting and tabulation of results
46	Government Decree which approves the regulation about the campaign and election propaganda
47	Government Decree approving the Second Amendment to Government Decree no. 2/2005, of July 6, on the fees related to fishing licenses, inspections and services relating to fishing activities
48	Government Decree approving the First Amendment to Government Decree no. 1/2017, of January 9, on the implementation of the State General Budget for 2017

Government Resolutions

2015

1	Government Resolution approving the allocation of financial aid to victims of the volcanic eruption in Cape Verde
2	Government Resolution approving the allocation of financial aid to flood victims in Thailand
3	Government Resolution approving the allocation of aid to flood victims in Malaysia
4	Government Resolution on Oath Break Commitment Provided to Martial Arts
5	Government Resolution showing Solidarity with Indonesia
6	Government Resolution approving the appointment of Administrators of the Administration Council of the National Authority of Telecommunications
7	Government Resolution approving the breakdown of the budget allocation for the Authority of the Special Administrative Region of Oe-Cusse Ambeno and Special Zone of Social Economy Market of Oe-Cusse Ambeno and Atauro
8	Government Resolution approving the transfer of functions, means and resources to the Authority of the Special Administrative Region of Oe-Cusse Ambeno
9	Government Resolution approving the appointment of the members of the Authority of the Special Administrative Region of Oe-Cusse Ambeno
10	Government Resolution approving the joint action of PNTL and F-FDTL, after the incidents in Baguía
11	Government Resolution approving the Rules of Engagement for the Operational Forces
12	Government Resolution approving the financial aid to victims of cyclone Pam in Vanuatu
13	Government Resolution approving the allocation of a land parcel to the Holy See
14	Government Resolution approving the appointment of PNTL's Command
15	Government Resolution on the Posthumous Decoration for His Excellency Reverend Dom Alberto Ricardo da Silva
16	Government Resolution approving national day of mourning in honour of His Excellency Reverend Dom Alberto Ricardo da Silva
17	Government Resolution approving the creation of the Organisation Committee for the Commemoration of the 500 years since the Affirmation of the New Timorese Identity
18	Government Resolution approving the allocation of a land parcel to the Holy See
19	Government Resolution approving financial aid to victims of the earthquake in Nepal
20	Government Resolution approving the appointment of the members of the Authority of the Special Administrative Region of Oe-Cusse Ambeno
21	Government Resolution approving the appointment of three Commissioners and the President of the Civil Service Commission
22	Government Resolution approving the Agreement between the DRTL and the EU over Visa Exemption during Short Term Stays
23	Government Resolution approving financial aid to São Tomé and Príncipe
24	Government Resolution on the National Day of the Public Service

SPEECHES

SOCIAL

INFRASTRUCTURE

ECONOMIC

GOVERNANCE

DID YOU KNOW THAT

LEGISLATION

GENERAL STATE BUDGET

25	Government Resolution recognizing Scouting and the National Union of Scouts of Timor-Leste
26	Government Resolution on investments in exploration and research in Timor-Leste
27	Government Resolution establishing a Commission for Fiscal Reform
28	Government Resolution approving the complementary adjustment to the Basic Technical Cooperation Agreement between the governments of Timor-Leste and Brazil for the implementation of the Programme for the Strengthening of the Justice Sector in Timor-Leste
29	Government Resolution appointing the members of the Political Review Committee
30	Proposal for a resolution to adopt UNESCO's International Convention against Doping in Sport
31	Government Resolution approving the transfer of competencies regarding the provision of services and respective budget to the Special Regional Administrative Oe-cusse Ambeno Authority
32	Government Resolution approving the Cooperation Protocol with the Republic of Cape Verde, for the area of Justice
33	Government Resolution approving the Cooperation Protocol with the Republic of Mozambique, for the area of Justice
34	Government Resolution establishing the Legislative and Justice Sector Reform Committee
35	Government Resolution attributing financial aid to the Republic of the Union of Myanmar
36	Draft Resolution ratifying the Agreement between the Democratic Republic of Timor-Leste and the Holy See
37	Government Resolution ending operation Hanita
38	Government Resolution approving the Rules of Procedure of the Inter-ministerial Commission for Security
39	Government Resolution appointing the members of the Archive and Museum of the Timorese Resistance, IP
40	Government Resolution on the Sustainable Development Goals
41	Government Resolution on Guido Valadares National Hospital
42	Government Resolution creating the Francisco Xavier do Amaral Botanical Gardens
43	Government Resolution granting land use rights for the construction of a hotel complex
44	Government Resolution on the participation of TIMOR GAP, E.P. in oil operations in the exclusive area of Timor-Leste
45	Government Resolution on the Investment Project in a Unit of Limestone Extraction and Cement Production in Baucau
46	Government Resolution creating the Economic Coordination Structure
47	Government Resolution on the importance of sandalwood as an emblematic plant of national value
48	Government Resolution creating the National Park Kay Rala Xanana Gusmão
49	Government Resolution approving the list of place names for the city of Díli
50	Government Resolution approving the Protocol between the Portuguese Ministry of Finance and the Ministry of Finance of Timor-Leste on the Integrated Programme of Partnership in Technical Assistance in the area of Public Finances and the respective annexes and addenda
51	Government Resolution extending the term in office of the President of the Board of Directors of the TIMOR-GAP, E.P.

2016

52	Government Resolution approving the protocols for technical and administrative support between the Government and the Special Regional Administrative Oe-Cusse Ambeno Authority
53	Government Resolution approving the appointment of the new rector of the Nacional University Timor Lorosa'e (UNTL)
54	Government Resolution on the creation of the news portal, embryo of the future news agency of Timor-Leste
55	Government Resolution approving the National Youth Policy
56	Government Resolution on the appointment of the Executive Director of Timor-Leste's Investment and Export Promotion Agency
57	Government Resolution on the appointment of the members of the Superior Council of Public Prosecutors
58	Government Resolution on the appointment of the Chief Negotiator of the negotiating team of a Treaty for the Final Delimitation of Maritime Borders
59	Government Resolution determining the drafting of the National Plan for Prevention and Road Safety
60	Government Resolution on the support mission to the electoral registration process in São Tomé and Príncipe
61	Government Resolution creating the National Commission for Trade Facilitation
62	Government Resolution approving the Guide for the Reform of Public Administration
63	Government Resolution on the establishment the Commission for Public Administration Reform
64	Proposal for a National Parliament Resolution that approves the Statutes of the International Institute of the Portuguese Language (IILP in Portuguese)
65	Government Resolution on the appointment of Timorese members to the Joint Commission between the People's Republic of China and the Democratic Republic of Timor-Leste for bilateral cooperation in Economic and Trade Affairs
66	Government Resolution authorising the National Printing House to produce and sell to the private and public sectors
67	Government Resolution on the Independent Scientific National Commission for the History of the National Liberation Struggle
68	Government Resolution on the Urban Mobility National Policy
69	Resolution approving the appointment of the Executive Director of the Agency for the Cooperation of Timor-Leste
70	Government Resolution establishing the Inter-ministerial Commission for the implementation of the Agreement with the Holy See
71	Proposal for National Parliament Resolution: approval UNESCO's Constitution
72	Proposal for ratification of the Convention on the Settlement of Investment Disputes between States and Nationals of other States
73	Government Resolution on the National Strategy for the Reduction of Marine Litter
74	Draft Resolution for the Ratification of the Agreement between Timor-Leste and Indonesia concerning Activities of Cooperation in the Defence area
75	Proposal for a National Parliament Resolution to approve an agreement in the area of trade between Timor-Leste and Vietnam
76	Government Resolution on Public Service uniforms

SPEECHES

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DID YOU KNOW THAT

LEGISLATION

GENERAL STATE BUDGET

77	Amendment to Government Resolution no. 10/2014, of April 9, creating the National Commission for the Implementation of Measures to Combat Money Laundering and Financing of Terrorism
78	Government Resolution assigning the name to the Reference Hospital in the Municipality of Baucau
79	Government Resolution on the priority actions to improve the human resources management in the Education Sector
80	Draft Government Resolution on the Accession to the Food and Agricultural Organisation of the United Nations
81	Government Resolution approving the voter registration process calendar
82	Draft Resolution on the Accession to the World Organization for Animal Health
83	Government Resolution on the appointment of the members of the Political Review Committee
84	Government Resolution on the Policy for Strengthening Institutions (2016-2030), and establishing the working group to monitor and evaluate the implementation of this policy
85	Government Resolution on the investment strategy for the management of solid urban waste in Dili
86	Draft Resolution of ratification of the Agreement on the Status of Visiting Forces Between the Governments of New Zealand and the Democratic Republic of Timor-Leste, and approval of the Treaty of Commercial Cooperation Between the Governments of the Democratic Republic of Timor-Leste and the State of Kuwait
87	Government Resolution repealing Resolution no. 34/2014, of November 5
88	Proposal for ratification of the Paris Agreement under the UN Framework Convention on Climate Change
89	Government Resolution on reserving the research and extraction of construction materials to companies of Timor-Leste held by Timorese citizens
90	Draft Government Resolution for completing the cooperation agreement with Portugal in matters of Internal Security
91	Government Resolution on National Contributions Project
92	Draft Government Resolution on extend the term in office for the positions of Chief of General Staff of the F-FDTL and the Vice Chief of General Staff of F-FDTL
93	Proposal for Timor-Leste's accession to the World Trade Organization (WTO)
94	Draft Government Resolution on the Agreement for the Establishment of AFOCO – Asian Forest Cooperation Organization
95	Government Resolution approving state participation in the share capital of the commercial company TL Cement
96	Government Resolution creating the Technical Inter-ministerial Commission for the Management of River Basins
97	Government Resolution on the Strategic Concept for Defence and Security
98	Government Resolution on the subdivision of the Block Exploration Contract Area
99	Government Resolution approving the operations schedule for the electoral census abroad

2017

100	Government Resolution establishing a Monitoring Committee for the research and documentation of the role of youth in the Timorese struggle for national liberation
101	Government Resolution on the Public Service march
102	Government Resolution on the Inclusive Education National Policy

103	Government Resolution on procurement of electoral equipment and materials for the presidential elections
104	Government Resolution on the recovery of movable State assets by the National Centre for Employment and Professional Training in Tibar
105	Government Resolution on the National Health Day
106	Draft Government Resolution to the National Parliament on exemption of visas with the Republic of Cape Verde
107	Government Resolution committing to the implementation of the 2016-2020 National Action Plan for the Child
108	Government Resolution approving the National Action Plan Against Gender-Based Violence for 2017-2021
109	Government Resolution approving the Roadmap for Budgeting by Programmes and the establishment of the working group for the management of public finances
110	Government Resolution approving January 13, as National Day of Sandalwood and of Forests
112	Government Resolution on the accession to the International Convention establishing the World Intellectual Property Organization
113	Government Resolution approving the National Tourism Policy
114	Government Resolution approving the donation to the permanent representation of the Sahrawi Arab Democratic Republic in the Democratic Republic of Timor-Leste
115	Government Resolution approving the Policy on the Management of Foreign Aid Effectiveness
116	Government Resolution appointing Ines Maria de Almeida and Francisco Dionisio Fernandes to the Board of Directors of the National Centre “Chega!, da Memória à Esperança”
117	Proposal for a National Parliament Resolution for accession to the Agreement establishing the Asian Infrastructure Investment
118	Proposal for a National Parliament Resolution for ratification of the International Convention for the Life at Sea, 1974
119	Proposal for a National Parliament Resolution for ratification of the International Convention for the Prevention of Pollution from Ships of 1973
120	Proposal for a National Parliament Resolution for ratification of the International Convention on Standards of Training, Certification and Watch keeping for Seafarers, of 1978
121	Government Resolution approving the implementation of the Agriculture Census and creation of its support structure
122	Government Resolution approving the update of the electoral census abroad for 2017's National Parliament Election
123	Government Resolution approving the adoption of the Asycuda World computer system as the platform for creation of Timor-Leste's Electronic Single Window
124	Government Resolution approving the appointment of members of the General Council of the National University Timor Lorosa'e
125	Government Resolution approving the Roadmap for the implementation of Sustainable Development Goals - Agenda 2030, in Timor-Leste
126	Government Resolution approving the allocation of funds for the construction of the National Library
127	Government Resolution approving the effective to incorporate in the F-FDTL in 2018
128	Government Resolution designating the commemorative dates in Education
129	Government Resolution approving the National Civil Aviation Policy

Other Council of Ministers Resolutions

2015

1	The Programme of the Sixth Constitutional Government
2	Approval of the Cooperation Agreement between the Democratic Republic of Timor-Leste and the Portuguese Republic, aiming at the creation of Dili's Portuguese School
3	Proposal for an Agreement between the Holy See and the Democratic Republic of Timor-Leste
4	Document on the United Nations Development Assistance Framework for Development of Timor-Leste and the UNICEF, UNDO and UNFAP Document – Programme on Actions Plans for Timor-Leste
5	“Development Objective Agreement”
6	Tax Reform Plan
7	Statutes of the Presidency of the Republic staff
8	Timor-Leste's Investment and Export Promotion Agency, PI - Tradeinvest
9	Decision to appeal against the Judgment from the Board of Auditors refusing the Prior Approval to the contract of design and construction of the Suai Supply Base
10	First Amendment to the structure of the Courts' Support Services.
11	Resolution on support for the electoral registration process in the Democratic Republic of Sao Tome and Principe
12	Resolution on support for the referendum process and the elections in the Central African Republic
13	Draft State General Budget 2016
14	Recommendation to reappoint the Chief and the Vice-Chief of General Staff of the Armed Forces of the F-FDTL

2016

15	Road rehabilitation project
16	Agreements between the Democratic Republic of Timor-Leste and the Republic of Cuba for the training of teachers
17	Extension of the technical support Project to the Scientific Police for Criminal Investigation (SPCI) and to the Board of Auditors
18	Memorandum of understanding between the Government of the Democratic Republic of Timor-Leste and the Government of the People's Republic of China on the establishment of a Joint Commission for Economic and Trade Cooperation
19	Proposal for Deed to transfer to the Holy See the surface rights on a State property for the construction of the Apostolic Nunciature in Dili
20	Approved the filing of litigious appeal for annulment of the decision to dismiss the Chief of General Staff of F-FDTL and Deputy Chief of General Staff of F-FDTL
21	Approved the proposal for the revision of the design and BoQ - Bill of Quantities for Oe-Cusse Ambeno's airport
22	TL Cement's Investment Project and Special Investment Agreement

23	Appointment of members of the Board of Directors of the Institute of Equipment Management of Timor-Leste
24	National Action Plan for the implementation of Resolution 1325 of the Security Council of the United Nations (Women, Peace and Security)
25	National Strategic Plan to Combat Money Laundering/Financing of Terrorism
26	Technical Agreement on “Smallholder cattle enterprise development in Timor-Leste”
27	Framework Agreement for the Democratic Republic of Timor-Leste’s Contribution to the Catholic Church
28	Appointment of the members of the National Electoral Commission (NEC)
29	Signing of agreements with four foreign higher education entities
30	Establishment of a team to negotiate the terms of the agreement of the Sustainable Agriculture Productivity Improvement Project (SAPIP)
31	Proposal to carry out an integrated airborne geophysical survey
32	Relocation of the Dili weekend market
33	Report of the Second Cycle of the Universal Periodic Review
34	Establishment of a working group for the revision of budget proposals submitted by ministries, aiming to redirect funds to municipal budgets
35	Proposals for the appointment of the new commanders for the components of the Armed Forces
36	Payment of the projects implemented under the Planning of Integrated Municipal Development Programme
37	Support for the Organizing Committee of the Tour de Timor and the Dili Marathon
38	Donation of 2 million euros to the Portuguese Republic for combating the fires that ravaged the country and for strengthening the response capacity on the ground
39	Approved the signing of two agreements and a Memorandum of Understanding with the Kingdom of Cambodia
40	Guidelines for Study and Training Scholarships
41	Authorised the Finance Ministry to initiate the process of Timor-Leste’s accession to the Asian Infrastructure Investment Bank
42	Increase the grant to the Cuban Medical Brigade staff in Timor-Leste
43	Acquisition of a property for the Chancellery and Embassy of Timor-Leste in Singapore
44	Project for construction of the new passenger terminal at the Dili port
45	Bilateral cooperation strengthening with Mozambique and Cape Verde, in the area of Education, through the signing of three Memoranda of Understanding
46	The Minister of Defence, Cirilo Cristóvão, and MP Carmelita Moniz were reappointed as members (effective and alternate, respectively) of the Superior Council of Magistrates
47	Financial support to Internally Displaced Persons (IDPs) in the Central African Republic
48	Implementation of Activities to Raise Awareness about the Electoral Census and Survey on Existing Conditions for its Execution in National Territory and Abroad
49	Seventh addendum to the contract for the construction of new homes, for the “Millennium Development Goals (MDG)”

50	Cooperation Protocol with Portugal on the training of media professionals project, titled the Language Laboratory for Journalists
51	General agreement with the Kingdom of Cambodia on technical and economic cooperation
52	Agreement with the Kingdom of Cambodia on visa exemption for holders of diplomatic and service passports
53	Granting of financial support to the World Health Organization South-East Asia Region
54	Projects for the improvement and maintenance of roads linking Maubara to Karimbala, Atabae to Mota Ain and Baucau to Lautém
55	Memorandum of Understanding with the Ministry of the Interior of the Republic of Korea regarding the implementation of a pilot project for rural development and poverty eradication in Timor-Leste
56	Signing of a loan agreement with the Asian Development Bank to fund the National Highway 1 project (between Manatuto and Baucau)
57	Opening and terms of the escrow account in the framework of the implementation of the public-private partnership for Tibar Port
58	Protocol between the Government of the Democratic Republic of Timor-Leste and the Government of the People's Republic of China on sending a Chinese medical team to serve in the Guido Valadares National Hospital for a two-year period
59	Agreement on Cooperation between the Ministry of Health of the Republic of Cuba and the Ministry of Health of the Democratic Republic of Timor-Leste, for technical assistance and training that the Government of Cuba has been providing to Timor-Leste, through the Health Programme
60	Strategic Business Plan for RTTL [Radio and Television of Timor-Leste] for the period 2017-2021
61	Agreement with the Asian Development Bank for rehabilitation of municipal roads
62	Memorandum of Understanding with the World Intellectual Property Organization (WIPO)
63	Proposal for appointment of Sabino Rua for the position of Executive Director of the Institute for Research, Development, Training and Promotion of Bamboo
64	Financing Agreements with the European Union for the Afforestation and Sustainable Agriculture Programme and for the Public Finance Management Strengthening Programme
65	Memorandum of Understanding with the European Union concerning sending observers
66	National Policy for Information and Communications Technologies for the period 2017 - 2019
67	Addendum to the Protocol of Technical Cooperation between the Government of the Portuguese Republic and the Government of the Democratic Republic of Timor-Leste on gender equality
68	Proposal on Timor-Leste's position on recommendations received during the session of the second cycle of the Universal Periodic Review of the Human Rights Commission of the United Nations
69	Evaluation report on the implementation of the first phase of the Strategic Development Plan 2011-2015
70	Air Services Agreement between Timor-Leste and Australia
71	Government supports the organization in Timor-Leste of the round table for Asia and Oceania under the Club of Madrid project on "Democracy of Future Generations"
72	Approved the additional subscription of shares allocated to the Democratic Republic of Timor-Leste in the International Bank for Reconstruction and Development

73	Approved the amendment to the loan agreement for financing of the Manatuto-Baucau road project, to decrease the risk of exchange rate fluctuation; the renewal of the contract with the company FreeBalance, to provide services in the area of financial information systems
74	Approved a financial contribution to the Security Council Report
75	Signature of the Memorandum of Understanding between the National Commission for Combating HIV/AIDS of Timor-Leste and the National Commission for Combating HIV/AIDS of Indonesia
76	Signing of the Cooperation Protocol between the Ministry of State Administration of the Democratic Republic of Timor-Leste and the Ministry of Culture of the Republic of Portugal for the safeguarding and dissemination of archival heritage
77	Signing of the Cooperation Protocol between the Ministry Public Works, Transport and Communications of the Democratic Republic of Timor-Leste and the Ministry of Public Works and Buildings of the Republic of Indonesia on cooperation in public works infrastructure, building, and regional and urban development
78	Signing of Agreement between the Government of the Democratic Republic of Timor-Leste and the Government of the Kingdom of Thailand for exemption of visas for holders of diplomatic and service passports
79	Award the contract to supply light fuel for the EDTL power plants for 2017 and 2018
80	Granting of investor's licence to Li Tjien Development for the construction of the project Timor Fortuna Central Plaza
81	Memorandum of understanding between the Government of the Democratic Republic of Timor-Leste and the Government of Victoria (Australia) on friendship and cooperation
82	The letter granting full powers for the signature of the Cooperation Framework Programme in the Defence Field, between the Ministry of National Defence of the Republic of Portugal and the Ministry of Defence of the Democratic Republic of Timor-Leste for the period 2017-2021
83	Signing of the Memorandum of Understanding with the Republic of India in the area of Health Care and Public Health
84	Signing of the Memorandum of Understanding with the Republic of Indonesia in the area of Health
85	Timor-Leste's position regarding the candidacy for the position of Director-General of the World Health Organization
86	Signing of Economic and Technical Cooperation Agreement with the Government of the People's Republic of China

During the two-and-a-half-year term in office, the Prime Minister presented to the National Parliament the Laws proposing the General State Budgets; thus submitting to the appraisal of this sovereign body the use of public funds to implement the Government's policies and programs for the Timorese people and for Timor-Leste. The National Parliament unanimously approved all State budget proposals.

- Presentation of the Legislative Proposal on the 2015 Rectification Budget
- 2016 Draft Law of the General State Budget
- The Re-Assessment of the National Parliament Decree No. 20/III 2016 General State Budget
- Debate on Draft Law No. 41/III (4th) – First Change to the 2016 General State Budget
- Presentation of the 2017 General State Budget



**SNAPSHOT OF THE SIXTH
CONSTITUTIONAL
GOVERNMENT MANDATE
[2015 - 2017]**

**SPEECHES ON THE
GENERAL STATE
BUDGET**



**SPEECH BY HIS EXCELLENCY THE PRIME MINISTER
DR RUI MARIA DE ARAÚJO ON THE OCCASION
OF THE PRESENTATION OF THE LEGISLATIVE PROPOSAL
ON THE 2015 RECTIFICATION BUDGET**

National Parliament, Dili
1st April 2015

Your Excellency

The Speaker of Parliament

Your Excellencies

The Vice-Speakers of Parliament

Your Excellencies

The Members of Parliament

Fellow Colleagues

Members of Government

Ladies and Gentlemen

People of Timor-Leste,

It is a great honour for me to return once again and so soon to this Great House in order to present the Legislative Proposal on the 2015 Rectification Budget to Your Excellency the Speaker of Parliament and to all the distinguished Members of Parliament.

The 2015 Rectification Budget sets out the manner in which this Government intends to carry out, in the short term, the Government Plan that the distinguished Members of Parliament had the opportunity of reviewing last week, in a constructive and democratic debate.

The Program of the Sixth Government is a program of continuity, as it intends to follow through with the policies set by the previous Government and because it flows from the Strategic Development Plan, which sets our vision up until 2030. This is a long term vision seeking to transform Timor-Leste into a medium-high income country, with a prosperous, educated and healthy population. We know that by strengthening our People we are strengthening our Nation.

The previous Governments have been defining the priorities for Timor-Leste and successfully implementing many policies and programs that enable the country to live today in an environment of social and political stability and in an atmosphere of peace and security. It is undeniable that these are key factors towards the growth and development of a nation.

And because our Governments have been working on these, and on other priorities, we have already achieved much in our 13 years as an independent country.

Today our population lives in peace and safety. The purchasing power of our families in terms of goods and services has increased around 38% from 2007 to 2012. The support provided to our veterans and to our most vulnerable citizens, such as mothers, widows, disabled persons, the elderly and children, has contributed to these outcomes and will continue to be a priority for the Sixth Government.

Additionally, school enrolment has increased from 66% in 2007 to 92% in 2013; infant and under-5 mortality has dropped more than 50% between 2001 and 2009; and under-5 malnutrition has dropped from 46% in 2001 to 38% in 2013. In 2014 the World Health Organization acknowledged the efforts made by Timor-Leste in implementing the National Malaria Control Programme. Indeed, we have achieved this Millennium Development Goal target, with the incidence of malaria falling under 1 case in every 1,000 citizens.

This is statistical data that shows how the social indicators of our country have improved. Let us take pride in this achievement!

The Sixth Government will continue creating the basic conditions for improving the living conditions of all Timorese citizens and for generating wealth apart from that flowing from our natural resources. As such, **we know that we need to produce more, but first we need to build the capacity to produce!**

The Special Funds that have been created, such as the Infrastructure Fund and the Human Capital Development Fund, have contributed to improving the quality and quantity of core infrastructure and human resources, so that Timor-Leste is able to work towards achieving its goal of diversifying the economy.

By the end of 2014 we had awarded over 2,800 scholarships through the Human Capital Development Fund. Out of this total, 718 scholarships were in the area of education and 1,600 in the area of health, thereby contributing to the development of these sectors that are so important for the Nation. The integrated basic infrastructure development plan, which includes the construction of road networks, will also be vital for enhancing the country's productive sectors.

Household access to electricity has increased from 22% in 2007 to 71% in 2014. The country's electrification program, which includes the construction of two new power plants, is the largest investment by the State so far and seeks to ensure reliable generation, transmission and distribution of electricity throughout the entire territory, so as to benefit the citizens and to enable the development of companies and industries. The Government is also constructing a power plant in Oecusse, which will be vital for that region.

The average economic growth rates of around 12.5% a year from 2007 to 2011 and of around 7% over the last three years would not have been possible without the important reforms to public finance management and without the investment in the country's development sectors. Bodies such as the Chamber of Commerce and Industry, the Specialised Investment Agency, the "One-Stop Counter – SERVE" and the Commercial Bank of Timor-Leste will continue to be developed in order to support the business environment, including small and medium sized companies, cooperatives and industrial and commercial groups.

Your Excellency the Speaker of Parliament,
 Your Excellencies the Vice-Speakers of Parliament,
 Distinguished Members of Parliament,

Although much has been achieved, we acknowledge that there is still much to be done. We must continue to strive so that every child attends school on a full stomach, as well as to make sure that every citizen has access to the goods and services that enable them to live with dignity. There is still much to be done before we can reach our goal of having diversified, inclusive and sustainable growth. In order to do this, we must invest in several industry sectors. This investment must be wise, balanced and crosscutting! The Sixth Government is truly committed to growing and diversifying our economy, making it increasingly independent from the Petroleum Fund.

While we already have a roadmap for achieving this goal, as set out in the Strategic Development Plan, which details the programs and policies required for fulfilling our development vision, it is now up to the Sixth Government to give this legacy a new dynamic. Consequently, the challenge presented to the Sixth Government is how to achieve greater efficiency in implementing investments and executing programs. We need to achieve better results in our productive sectors and to demand better service delivery from both the public and private sectors, so as to lead to a more coordinated and transparent public expenditure.

Ladies and Gentlemen,

The Strategic Development Plan acknowledges that there needs to be an initial development stage led by the public sector. This is a stage where public expenditure increases, core infrastructure is built and the public sector drives economic growth. Timor-Leste has achieved this development led by the public sector from 2008 to 2012, with a more than doubling of public investment during this period. This contributed to very high economic growth rates, focussed on reforming public administration and the construction sector.

The purpose of this initial development stage is creating the capacity to produce. In the long term, the Government cannot continue driving growth by significantly increasing public expenditure, since that might compromise the Petroleum Fund. As such, we should move to a second stage, to be led by the private sector, where the agricultural, tourism and petroleum sectors will grow and create a productive economy in which people are more skilled and work hard in order to produce goods.

I would like to emphasise that we are now moving into the second stage of development.

This means that the rates of non-oil GDP growth will fall, but economic growth will be of a higher quality for four reasons:

- i) economic growth will be increasingly driven by the private sector and not Government spending. There will increasingly be productive investments by private sector firms that allow us to make things in Timor-Leste. The recent agreement signed with Heineken, entailing an

investment of \$40 million and the creation of 200 direct jobs and 800 indirect jobs, is an example of this.

- ii) inflation will continue to be low and lower than it was in past years, not exceeding 4-6%. Lower inflation can help to increase the purchasing power of citizens' wages and reduce poverty. In addition, lower inflation will lead to lower increases in business costs. This will help to improve Timor-Leste's international competitiveness and that in turn will increase exports and investment.
- iii) the amount the average household consumes will continue to grow. The amount the average household spends is a better measure of their living standards than non-oil GDP.
- iv) the fruits of economic growth will be broadly shared among the people and less concentrated in Dili. This will be help to combat inequality.

For these reasons, while economic growth will be lower, it will be more sustainable and the people's living standards will increase faster. The last Government also correctly recognised that Timor-Leste was moving to the second stage of development where public spending stabilises. That is why the last Government has cut the overall size of the State Budget by over 13% since 2012. A conservative fiscal policy was required, in which the budget would be reduced rather than increased.

The Sixth Government is committed to continuing this trend. As such, **we will continue to lower the level of public expenditure and to focus on improving the quality and sustainability of the economy.**

Your Excellency the Speaker of Parliament,
 Your Excellencies the Vice-Speakers of Parliament,
 Distinguished Members of Parliament,

The Government is committed to making public investment more efficient. This means moderating the level of Government spending in the medium term and improving the delivery of services to our people. Yet the distinguished Members of Parliament may fairly ask: how will you increase the efficiency of spending? I can answer that question:

The first step is this rectification budget; it increases efficiency by streamlining the structure of Government, giving it a leaner, more productive and more efficient management, so that it can better perform its functions and manage public monies. This Government streamlining also entails greater coordination among ministries, including in terms of crosscutting planning when drafting and implementing policies.

The second step is a spending review. We will review every item, line and program of Government expenditure, and spending that is not essential and does not benefit the people will be cut. Such a review is a serious undertaking, it requires much detailed analysis and cannot be rushed. This spending review will be undertaken this year and its recommendations will feed into the 2016 State Budget process.

Your Excellency the Speaker of Parliament,
 Your Excellencies the Vice-Speakers of Parliament,
 Distinguished Members of Parliament,

The Legislative Proposal for the 2015 Rectification Budget that I present to you today does not change the total figure of **\$1,570 million**. This investment will be funded by domestic revenues, the Estimated Sustainable Income and excess withdrawals. The cash balance and loans also remain unchanged in relation to the 2015 budget.

Consequently, the main purpose of the 2015 Rectification Budget is to respond to the new government structure that is more focussed on service delivery and outcomes, as well as to the demands of a Government that seeks to do more and better while investing the same amount and avoiding unnecessary spending, so as to achieve better quality economic growth.

The effective implementation of Government policies requires close coordination between ministries. The creation of **three new Ministers of State responsible for coordinating** the economic and administrative sectors, as well as the **creation of the Ministry of Strategic Planning and Investment**, are the first steps towards Government efficiency and accountability for implementing the development strategy with the utmost rigour. Additionally, the **Minister of State and Presidency of the Council of Ministers** received additional tasks, becoming responsible for coordinating the drafting and organising of government work and of reforms to be implemented.

Consequently the current State Budget significantly reduces the size of Government, while substantially increasing its organisation and efficiency. As such, our **reforms** involve better implementation and execution methods more than programmatic content, which seek to continue long term goals. Therefore we have:

- Improved coordination among ministries;
- Strengthened long term planning and improved cost-efficiency of infrastructure investments and the quality of works;
- Reduced the complexity and size of public administration in order to make it more efficient and sustainable. This includes greater responsibility and accountability by civil servants, which will entail a thorough revision of staffing needs, recruitment and promotion in the civil service;
- Harmonisation of laws, so that we have instrumental legal orders with which the Timorese citizens may identify. These legal orders must also promote access to justice and provide legal certainty to potential investors.

The **Minister of State and Presidency of the Council of Ministers**, who assists the Prime Minister regarding the Presidency of the Council of Ministers and the coordination of the Government, will also be responsible for coordinating the reform in the sector of justice and the reform seeking to standardise laws. For this purpose, the Ministry is set to receive a **\$400,000**

budget. The budget allocated to the Presidency of the Council of Ministers is now **\$137.7 million**. However, most of this amount is allocated to the public transfer to the Authority of the Special Administrative Region of Oecusse Ambeno and to the Special Zone of Social Market Economy of Oecusse Ambeno and Ataúro.

The **Minister of State Coordinating Social Affairs** will have responsibility for coordinating and implementing social policies seeking to improve service delivery and access to goods that are indispensable to human development. This requires close collaboration with the line ministries in the areas of health, education, professional training and welfare. The budget for the Minister of State is **\$1.9 million**.

The economic sector is vital for the development of Timor-Leste. As such, strong coordination is needed in this area, which is delegated to the **Minister of State Coordinating Economic Affairs**. The budget for this area is **\$5.3 million**, which will be used to promote a strong boost in the agricultural, commercial and industrial sectors, as well as to promote the development of the business environment.

With a budget of around **\$2 million**, the **Minister of State Coordinating State Administration Affairs and Justice** is responsible for ensuring sounder, more democratic and more effective governance of State resources, by way of strengthening State agencies. The administrative decentralisation process and the project for creating municipalities, under the coordination of this Minister, will be key factors for enabling better and fairer distribution of public resources, access to services in rural and remote areas, and the fight against inequality.

Countries that have detailed and well specified long-term economic plans develop more quickly than their peers do. Going forward, the Government will develop more detailed and integrated policies, costing and setting priorities for all physical projects. This should enable projects to be implemented faster and with greater cost-efficiency. The new **Ministry of Strategic Planning and Investment** will have a budget of **\$76.5 million** in order to achieve these goals.

In this sense, it will be possible to improve the management of the integrated investment cycle, in which major infrastructure projects are submitted, reviewed, budgeted, drafted, procured, assessed and verified. This will enable greater efficiency in public investments in this sector that is the backbone of development. The Ministry will also carry out thorough assessments and revisions to the PDID and PNDS programs, so as to ensure better proportionality between costs and outcomes, which should be more satisfactory and sustainable.

Lastly, and because I consider that the sectors of Defence and Security are absolutely vital to a Democratic State under the Rule of Law, I cannot but mention the creation of the **Ministry of the Interior and of the Ministry of Defence**, which will have a better division of tasks and responsibilities in order to promote our internal security and sovereignty.

Peace and stability will always be priorities for the Government. The provision for **national stability operations** will be supported by **\$2 million** in the category of whole of Government appropriations, since without peace and security we cannot hope to instil trust by investors or

even by the Timorese people.

Your Excellency the Speaker of Parliament,

Your Excellencies the Vice-Speakers of Parliament,

Distinguished Members of Parliament,

As was already mentioned, the rectification budget does not change the budget of the Consolidated Fund for Timor-Leste in relation to the original 2015 State Budget. Nevertheless, there are changes within appropriation categories, since the money saved by streamlining the Government will be used on new important policies, which are set out as follows:

- Reduction of \$1.5 million in Salaries and Wages, to **\$177.5** million.
- Increase of \$0.7 million in Goods and Services, to **\$515** million.
- Reduction of \$4 million in Public Transfersto **\$454.4** million.
- Increase of \$3.4 million in Minor Capital, to **\$31** million.
- Increase of \$1.5 million in Capital Development, to **\$391** million.

From these measures, I would like to highlight the increased budget foreseen for the **Authority of the Special Administrative Region of Oecusse Ambeno and the pilot project for the Special Zone of Social Market Economy of Oecusse Ambeno and Ataúro**, which will include an additional transfer of \$51.5 million, adding to a total of \$133.4 million. This integrated development project led by Dr Mari Alkatiri, on whom we trust entirely, is vital for funding the development of core infrastructure and other conditions that will jumpstart economic and social growth in this region. This program will also include **\$1.5 million for celebrating the 500th anniversary of the arrival of the Portuguese in Timor-Leste**. These celebrations will feature the presence of international guests, which will contribute to the revitalisation and growth of this region.

Cooperation towards development is a strong component of our foreign policy. Our history reminds us that we have always been able to rely on the friendship, assistance and solidarity of other countries. Timor-Leste wants to take part in the development process of our brothers and sisters in other countries, such as the Republic of Guinea-Bissau. In order to continue strengthening the sector of defence and security, which is essential for stabilising and developing Guinea-Bissau, the **Timor-Leste Cooperation Agency** will have an allocation of **\$4.5 million**.

The Government will also continue the commitment to give dignity, pay homage and provide support to the Veterans. This rectification budget includes a new provision for the operational costs of the **Veteran** Councils, in the amount of **\$250,000**, so as to create a National Veteran Council. The Government has also allocated around **\$150,000** to fund the exchange program between Timorese and Australian Veterans.

Lastly, and still within the scope of **Good Governance**, and because we see the public administration reform mentioned before as being essential, the Government also intends to allocate **\$300,000** to the Office of the Prime Minister in order to start the process for improving

efficiency and effectiveness in the Civil Service. We will also have an allocation of **\$500,000** to start developing our “e-Government” program, seeking to enable a more active and responsible participation by everyone in the development process, as well as to provide online services.

Your Excellency the Speaker of Parliament,
 Your Excellencies the Vice-Speakers of Parliament,
 Distinguished Members of Parliament,

In view of the above, we cannot but expect to close the financial year with a budget execution that is high and that, more importantly, is of a good quality and benefits every Timorese citizen. If possible, we want to exceed the budget execution of 91.6% achieved by the previous Government in relation to the 2014 SGB.

The Sixth Constitutional Government is prepared for the challenges faced by the country and for implementing a sustainable tax policy and public expenditure that is coherent with what has been planned, reducing waste and increasing measurable and quality outcomes. Particularly at a time when the price of oil has been falling, leaving economies such as ours in a situation of vulnerability, it is important to enhance economic diversification by way of making intelligent investments in the sectors that may generate profits for Timor-Leste and increase domestic revenues.

This is the only way we can defend the national interest and honour the Veterans and all those who made sacrifices, including our elderly, women, young people and children, so that our Timor-Leste could be a free and sovereign country.

Lastly, I must praise the spirit of cooperation by the distinguished Members of Parliament. The creation of the Ad Hoc Committee has enabled greater flexibility when reviewing the initial Legislative Proposal on the Rectification Budget, so as to accelerate the work being undertaken without compromising rigour and efficiency when reviewing this Budget.

We believe that today’s debate will be equally constructive and democratic. We believe that if each and every one is truly committed, we can achieve sustained and balanced development for our country. This is our commitment towards the People of Timor-Leste and our Nation!

Thank you very much.

1 April 2015

Dr Rui Maria de Araújo

**SPEECH BY HIS EXCELLENCY THE PRIME MINISTER
OF THE DEMOCRATIC REPUBLIC OF TIMOR-LESTE,
DR RUI MARIA DE ARAÚJO, AT THE PRESENTATION
OF THE 2016 DRAFT GENERAL STATE BUDGET**

National Parliament
1 December 2015

Your Excellency
President of the National Parliament

Your Excellencies
Vice-Presidents of the National Parliament

Your Excellencies
Honourable Members of Parliament

Fellow Members of Government
Ladies and Gentlemen
People of Timor-Leste,

It is a great honour and privilege to address Your Excellency the Speaker of Parliament and the illustrious Members of Parliament in this Great House to present the 2016 General State Budget.

This Proposal that I will be presenting and advocating today represents the financial, economic and social programmes and policies that are essential for the Sixth Constitutional Government to lead the country to improve the living situation of our people. In order to do so, it will be vital to manage public monies efficiently, to carry out the Government's Programme and to comply with the Strategic Development Programme 2011-2030.

Last April I stood for the second time before this illustrious audience with the responsibility of presenting the 2015 Rectification Budget, which was a continuity budget. It is with the same feeling that I now submit for discussion at the highest level the first General State Budget of the Sixth Constitutional Government.

Budgeting is never easy or quick. On the contrary, deciding on policies and priorities and their budgeting, to set a better course for the country and for the people, requires tremendous responsibility, detail and accuracy, particularly since it is also necessary to monitor and to

assess previous budgeting acts to see if they achieved the expected outcomes or failed to do so. The members of the Sixth Constitutional Government strived at every stage, assessing and reassessing the means to reach the goals to which they have committed themselves, while also taking into account the ability by each member to achieve their goals in previous budgets. We were demanding and focused on providing better services to the people and on eliminating superfluous expenditure, while not neglecting the economic and social growth and development of the country and the people.

The new Government structure enabled everyone to be aware of the commitments, programmes, activities and goals to be achieved in every ministry, making the necessary readjustments to prevent waste. This reorganization allowed us to focus our efforts to better understand what could and should be corrected, and to identify needs requiring new dynamics and priorities.

Consequently the 2016 draft State General Budget totals \$1,562.233 million, including loans. This covers the various budget categories, namely:

- **Salaries and Wages:** \$181.529 million;
- **Goods and Services (including HCDF):** \$468.988 million;
- **Public Transfers:** \$475.775 million;
- **Minor Capital:** \$17.565 million;
- **Capital Development (including IF):** \$418.376 million;

The amount we are proposing represents a slight reduction against the previous Budget and results from a realistic and thorough review of needs and priorities, taking into consideration the global situation and the low price of oil, which naturally effect the world's economy, without losing sight of the need to keep investing in areas that enable us to continue to diversify and grow our economy in a sustainable manner.

In order for Timor-Leste to become a medium-high income country by 2030 we need strong and quality growth in the non-petroleum economy. Between 2007 and 2012 the Government implemented economic policies that led to high growth rates, with the non-petroleum GDP growing an average of 10.6% a year.

These growth rates are due to quality investments in major infrastructure projects foreseen in the SDP and in the development of human capital, to create the necessary foundations for sustainable long-term development.

In the medium term it is estimated that the non-petroleum GDP will grow between 4.1% and 7.5%. This strong growth is based on the implementation of infrastructure projects and on a balanced mix between investments by the State, the private sector and households.

The outlook for Timorese consumers in the medium term is also positive. It is estimated that the level of consumption will grow steadily, while annual inflation will remain around 2%. This is lower than the Government's budget target of 4% to 6% between 2015 and 2018.



As for domestic revenues, we are estimating a very slight increase in 2016, with more significant results in 2017 as ongoing tax and economic reforms result in better performance of government services through higher collection and the increase of the number of people and companies paying taxes and fees.

Your Excellencies,

We acknowledge that the total Budget we are proposing today exceeds that which we initially set as the “fiscal ceiling”.

When the Government promoted the “Budget Journeys”, we did it with the goal of instilling greater fiscal discipline, reducing superfluous expenditure and setting the National Priorities for 2016. At that time we set a “fiscal envelope” of \$1.3 billion and determined that education, health, agriculture and basic infrastructure would be the key areas for investment.

However, those are not the figures that we are presenting here today. Additionally, the bulk of investment is in major infrastructure foreseen in the Infrastructure Fund, namely the Tasi Mane project, roads, ports and airports and sanitation, in economic and social development projects and programmes such as the Special Administrative Region of Oe-Cusse Ambeno, the Special Zone of Social Market Economy of Oe-Cusse Ambeno and Ataúro, in the pensions for veterans, the elderly and the disabled, in support to victims of natural disasters and through the Bolsa da Mãe programme.

Consequently we must now explain to the people of Timor-Leste, represented by the National Parliament, the reasons that led the Political Review Committee to make this decision.

The high investment in infrastructure was acknowledged as an essential stage of the national development strategy. As such, we drafted projects in accordance with the needs identified and started investing and building. Evidently, the multiyear nature of these projects require difficult planning and budgeting exercises, since the commitments made and the associated funding needs require us to take on responsibilities that must be shared as they result from national interest initiatives.

And that is exactly why we are committed to continuing the countless infrastructure projects started by successive Governments. These are major projects that have vital and crosscutting importance for the development of several sectors and of the country. We cannot slow down investment in these projects, lest we would compromise the sustainability, investment and commitments achieved so far. As such, while we did not achieve our goal in terms of meeting the budget ceiling, that exercise nevertheless contributed to even stronger discipline and reviews.

It is also important that we are humble enough to recognise that a realistic ceiling cannot be determined without precise knowledge of the cost of the implementation of programmes, policies and projects – in other words, the financial and budgeting needs of the sectors in

each programme. This applies both when budgeting the implementation costs of an education policy setting criteria to ensure quality education, as well as when budgeting the costs of the infrastructure in which we are investing, since these are long term investments requiring complete rigour and assessment, lest we compromise the fiscal sustainability we have been advocating as being essential.

The planning exercise of which I speak is therefore vital, not only for this Government but also for the future Governments, so that they can determine fiscal envelopes that are more in tune with the actual needs and obligations of the State, without ignoring the budget sustainability of our young country.

Our commitment has always sought to achieve better service delivery for our people, particularly in the priority areas we have identified, and to make surgical cuts in unnecessary expenditure that does not deliver benefits improve the living situation of the people.

While drafting the State General Budget we also verified that better service delivery does not necessarily entail a nominal or proportional budget increase. The link between services and performance relates much more strongly to their implementation and to management ability. This has led us to conclude that it is crucial to assess the actual needs and priorities of every ministry, not just at the level of their activities but also and more importantly at the level of their budgeting and implementation.

In view of this, we have considered it essential to create implementation mechanisms enabling better management through good planning and good budgeting, to show us actual costs. It was here we realised that while we may be lowering the budget, partly due to excessive budgeting of programmes and to an overestimation of the capacity for implementation, we are not neglecting our political priority to ensure the quality of service delivery.

One of the steps we considered to be crucial in this process is giving greater autonomy to agencies, institutions and ministries. The goal here is clear: as we give greater autonomy, we also demand greater responsibility! Good management and implementation ability, together with rigorous monitoring, will inform us of the outcomes so that a budget can be allocated. Indeed, we require evidence confirming the achievement of the desired outcomes.

Giving greater autonomy is part of the path we need to travel in order to have the State provide quality services, always under the ultimate responsibility of its leaders, who define sector policies and implementation strategies. We believe that in order to demand results we must give greater autonomy and provide proper working conditions, while ensuring that the respective leaders are held accountable.

As such, we want the finance system to change from the current ex-ante control to an ex-post control. In other words, the Ministry of Finance will no longer be required to approve each and every expense, since this responsibility will be progressively transferred to the Bodies and Ministries. This will be accompanied by human resource training and mobilization, in accordance with the requirements and the different capacities in the various State agencies.

However, this does not mean that leaders will no longer be subject to control and rigour and that they will not be held accountable. On the contrary, control will be carried out prior to the approval of a State internal control regulatory framework, to enable the transition from ex-ante control to ex-post control. In this way there will be different responsibilities between sector inspections and audits and the Inspectorate-General of the State when conducting systematic audits and holding leaders accountable.

Another measure to be consistently introduced in national development planning, particularly concerning infrastructure, is the creation of an Operation and Maintenance policy. We believe that this policy will contribute to make current investments sustainable, which is a justified concern of many illustrious Members of Parliament, and to boost long term job creation throughout the nation.

Your Excellencies,

The Sixth Government began an internal reorganization in order to ensure a link between the plan and the budget. Here we adopted a principle: one plan, one budget, one system!

We want to establish a Planning, Monitoring and Evaluation Unit in every government body, so as to create the structure and capacity to implement this process. The annual plans, performance reports and procurement plans and reports are planning, monitoring and implementation tools that, if used in a coordinated manner, will result in greater transparency and accountability regarding a ministry's performance in responding to the commitments made.

The illustrious Members of Parliament have already had the opportunity to receive and review the outcome of this effort when they received Budget Book 2. This Book shows that, for the first time ever, the annual plan is budgeted.

This exercise is the result of demanding work connecting the plan and the budget, done through a rigorous and discerning assessment of the activity plan. We have sought to use the same rigour in allocating it a budget. The goal here, in addition to adjusting the programmes and activities, is to allocate them a budget so there is a better link between them, and to have better connection between public expenditure and services provided.

This is the first attempt, carried out in a very short time, and should continue to be developed in 2017 and in the years after that, through a rigorous definition of programmes for each sector, integrating the plan, budget, implementation and verification of outcomes in an integrated manner in one system. The definition of programmes and their implementation costs, within a multiyear perspective, will prevent us from having to start from scratch when drafting the annual plan and the budget. Additionally it will prevent us from planning activities for which no budget is available.

Thus we will have new management tools in 2016, such as the expenditure activity

implementation plan and the procurement plan. These will require government bodies to further detail and schedule the acquisition of goods, services and works, in order to have greater accountability in the physical and financial implementation of programmes.

Along with planning and budgeting we will also be regulating monitoring and evaluation. Monitoring the plan and budget and evaluating the impact and the resulting benefits for the people mean guaranteeing efficient, effective and fair service delivery, with tangible benefits in the lives of all.

With the start of this procedure, Your Excellencies can scrutinise and verify more easily the specific annual goals that we identified in the plans. This will make the operation of the Executive increasingly transparent and accountable.

Additionally, this mechanism created by the Government will also require closer collaboration between the persons responsible for the various areas. This will improve outcomes and more importantly enable the timely identification of constraints to implementation, allowing us to take due measures and precautions to ensure programme efficiency and effectiveness.

And because better service delivery requires trained human resources, we will continue providing professional training, technical training and scholarships through the Human Capital Development Fund. In 2016, as a result of the reallocation of funds from programmes of Technical Assistance to the Judiciary and Tertiary Sectors, the Fund will focus mostly on general training programmes that will benefit every sector.

In order for its use to be even more precise, starting in the first quarter of 2016 we will have the outcomes of the “National Mapping of Human Resources in the Public and Private Sectors by municipality” and the “Assessment of the Outcomes of HCDF Programmes in 2011-2014”. These studies will enable a better evaluation of the outcomes achieved so far and a better understanding of needs, helping us to identify the areas requiring more investment to train and build the capacity of our human resources to enable them to be competitive in the job market.

Your Excellencies,

Timor-Leste should continue stimulating investment and building an attractive investment environment. Consequently we are committed to reforming the public sector. This entails the implementation of strategic reforms, which will take place over a few years and should enable Timor-Leste to be successful in the path towards sustainable national development.

Legislative and Justice Sector Reform will improve the capacity of the legislative and judicial sectors, which in turn will ensure and protect the rights of the people, particularly in access to justice.

Tax Reform, which covers revenue and expenditure policies, public finance management systems, tax and customs administration, State management and outcome monitoring, with a

special focus on service delivery and human resources, will enable us to, among other things, increase State revenue, improve service delivery and improve budget quality.

Public Administration Reform, which includes the diagnostic evaluation of human resources, the establishment of competency standards, the revision of the payroll table and the identification of the organisational structure, will create conditions for making the State more efficient, effective and accountable. This also entails giving public administration the conditions to be able to implement its competences for serving the public interest, while providing staff with the conditions to perform their tasks adequately. Indeed, we can only demand rigour, ethics and professionalism if people are duly trained and placed in the right positions for performing their tasks.

These are the measures that we believe will create the conditions for generating the investment and economic diversification that are so essential for the country, and which must be accompanied by a strategy that focuses on people and infrastructure and that seeks to create conditions to nurture private investment.

This is why the Government has approved the implementation of an Economic Reform and Promotion programme that, in a strong relationship with the Tax Reform Programme, will create measures to develop, strengthen and support the private sector, which in turn will generate sustainable employment and diversify our economy. We want to improve the atmosphere in the private sector, and in order to do so we are aware that we must regulate land and properties, develop economic infrastructure, focus on the training of human resources and the development of the workforce, create a business-friendly environment and nurture private investment and development.

We also want to strengthen our banking institutions. This will include capitalising the Central Bank of Timor-Leste (BCTL) and the National Commerce Bank of Timor-Leste (BNCTL), so that the latter creates conditions facilitating access to credit and investment in sustainable and employment-generating projects, particularly in rural areas. We are hoping that this will result in the emancipation of the private sector in commercial and investment areas, so that the State can cease to play the leading role in those areas and can concentrate further on safeguarding social issues.

Your Excellencies,

2016 will be the year in which we will be implementing all these mechanisms and instruments, which will help us to have responsible, efficient and sustainable management, so that public monies can be spent properly, creating conditions for generating investment and diversifying the economy.

We also believe that the present draft General State Budget will have a clear impact on the next Government. The 2016 draft Budget by the Sixth Constitutional Government includes an

amount for paying debts. We believe that the Government to be elected in 2017 should have the best possible conditions, which is why it is essential to settle debts responsibly, while at the same time safeguarding the integrity of the State and the confidence placed in it.

This is an attitude that will enable the next Government to have its own development programme and to continue assuming the implementation of the Sustainable Development Goals already approved by the Council of Ministers and Parliament. We believe that this will lead to the sustainable growth and development of Timor-Leste, making it a prosperous country and improving the quality of life of our people.

And it is precisely within this perspective of “aligning planning and budgeting instruments and systems with the Sustainable Development Goals”, suggested by Your Excellencies to the Government, that we acknowledge the importance of getting everyone involved.

With the preliminary results of the Census 2015, in which we see that our population has increased to 1,167,242, we are committed to continuing to promote and ensure an atmosphere of safety, peace and stability – a goal in which Timor-Leste is recognised to have had an active participation. At the same time, we will continue focusing on such fundamental policies as gender equality, which has already been strengthened through the recent signing of the Maubisse Declaration, and the protection of disabled and vulnerable persons.

Since most of our population is made up of young people, we want to continue stimulating the quality of academic and professional training and promoting employment opportunities, so as to enable those young people to lead dignified, active and inclusive lives, and to take part in the development of the nation. Because they are the future leaders of the country we must also make them aware of issues concerning climate change and natural disasters, which must be taken very seriously since they can greatly affect the sustainable development of the country and the society.

In relation to this, allow me to state that we have already created a working group to implement the Sustainable Development Goals. This working group will carry out crosscutting actions to ensure that Timor-Leste meets its commitments under the 2030 Agenda for Sustainable Development.

The fight for full sovereignty is a vital and priority action that can only be achieved with the definitive demarcation of our maritime boundaries. We are conducting this process with full perseverance, since the rights of the Timorese cannot be relegated to the background of the priorities of the State.

Our external action plays an important role here. As such, we continue striving to strengthen our position in the international forums. The membership in ASEAN and the leadership of the CPLP, in which we hold the pro tempore presidency up until the middle of next year, also position us in a hub leveraging economic growth. We will also continue honouring our commitments to supporting fragile countries through the g7+ group and the Timor-Leste Cooperation Agency, to help the development of countries that are so close to our hearts.

Your Excellencies,

We have just finished celebrating the fortieth anniversary of the Proclamation of our Independence and 500 years of contact between the Timorese people and the Portuguese people, which has contributed significantly to the forging and affirming of our identity.

This year we are also celebrating thirteen years as an independent Nation. We benefit from a stable environment with peace and security. This has enabled us to draft a consensus policy on the best strategy for the country, with national interests coming before individual interests. We can all take great pride in this.

I would like to conclude by urging everyone to have an honest and constructive debate, as the illustrious Members of Parliament are known to do, so that we can strengthen our democratic system. Let the discussions concern the policies and their respective budgets, in order to serve the most important interest of ensuring the quality and relevance of the State budget for 2016. For the good of the Nation!

Thank you very much.

Dr Rui Maria de Araújo

1 December 2015

SPEECH AT THE EXTRAORDINARY PLENARY SESSION OF THE NATIONAL PARLIAMENT ON THE RE-ASSESSMENT OF THE NATIONAL PARLIAMENT DECREE No.20/III - GSB FOR 2016

National Parliament
January 8th, 2015

Your Excellency President of the National Parliament,
Your Excellencies Vice-Presidents of the National Parliament,
Honourable Members of Parliament,
Fellow Members of Government,
Ladies and Gentlemen,
People of Timor-Leste.

Still in the spirit of the New Year's festivities, I wish you a good start to this year.

It is with great humility that we come here today, once again, to present the point of view of the Sixth Constitutional Government on the policy that was the foundation to the annual action plan and to the General State Budget (GSB) for 2016, especially on the points of view related with the message delivered by His Excellency the President of the Republic, addressed to the National Parliament, on December 28th, 2015, requesting the re-assessment of Decree No. 20/III - General State Budget for 2016.

Before presenting the perspective of the Sixth Constitutional Government, with regards to the most prominent points in the veto message of His Excellency the President of the Republic, I wish to remind you that within the context of separation of powers, enshrined in the Constitution of the Republic, the Government is the sovereign body responsible for leading and executing the general policy of the country (Article 103), after obtaining approval from the National Parliament (point a, no. 1, of Article 115). Based on this constitutional mandate, all governments, since the First Constitutional Government, have defined their own guidelines to conduct policy in the country, through their own Programmes, which, after being submitted to this Great House, are implemented through the respective action plans and annual budgets. The Government's responsibility in preparing the plan and the GSB and its implementation after the approval by the National Parliament is defined explicitly in point d, no. 1, of article 115 of the Constitution of the Republic.

Specifically, regarding the Sixth Government, on the one hand, we still remember that the Government Programme was appraised and approved by the National Parliament in March 2015, and that the programme itself represents a continuation of the Fifth Government (though giving emphasis to different aspects of the Fifth Government), and that this programme also attempts

to implement a Strategic Development Plan approved in 2011 by the National Parliament itself, to serve as a guide for Timor-Leste's socio-economic development from the year 2011 to 2030. According to the Strategic Development Plan, from 2016 to 2020 Timor-Leste shall enter into the second phase of implementation, which involves three very important lines of action: (1) continuing infrastructure development, (2) consolidating Human Resources; and (3) developing Timor-Leste's economic competitiveness.

On the other hand, these three lines of action, already highlighted in the Strategic Development Plan for the period 2016-2020, have already been incorporated in the Sixth Government's programme and we strive to implement them through the action plan and the annual budget, also reflected in the GSB for 2016. It is precisely the reflection of these three lines of action that determines the priority and the budgetary allocation for 2016.

Mr. President, distinguished Members of Parliament, people of Timor-Leste.

Considering the message of His Excellency the President of the Republic regarding the veto to the GSB for 2016,

First of all, the Sixth Constitutional Government is aware that *the investments that we have currently decided to carry out, must not impair development in the future*. However, the Government believes that there will be no development in the future, if there is no investment today.

The Government understands this concern about the unsustainability of its expenditures, namely due to (1) the oil price continuing to fall and that the projection for the year 2016, according to observers, is based on USD 50/barrel, while the reference price set by the Government in the GSB, for 2016, is higher, amounting to USD 64,70; (2) the GSB having always surpassed the sustainable income, exceeding 100%, and (3) the non-oil revenue having remained low for some time now, or "almost stagnant".

It is true that the price of oil varies regularly, however, we must not forget that 90% of the oil wealth of which we know of has already been transformed into financial resources/assets, and that such financial resources, based on the current Government investment policy, attracts annual profits in favour of the Petroleum Fund.

To consider the sustainability of our use of the Petroleum Fund, we also need to take into account the income from oil and gas and the additional income resulting from the investment by the Petroleum Fund, and then comparing them to the amount withdrawn by us, annually, to sustain the GSB. From 2005 to 2014, the funds that entered the Petroleum Fund (coming from the income extracted from oil and gas and adding the profit extracted from investment) were higher than the amount withdrawn to finance the GSB. The existing data shows that we managed to save more than 70%, following the increase in the price of oil. In 2015, on the occasion of the presentation of the Central Bank's report on the income from the investment of the Petroleum Fund and up to the month of December, the amount withdrawn from the Petroleum Fund to finance the GSB was USD 200 million higher than the amount that entered the Petroleum Fund, even though

this amount may vary. For 2016, if we use USD 50/barrel as a basis for the estimation (as His Excellency the President of the Republic suggests), such estimate shows that the Petroleum Fund for 2016 will have a total income of USD 1.321 billion (USD 453.5 million from the yield of oil and gas, and USD 867.7 million from the profit of the investment of the Petroleum Fund).

It is true that we have passed the Sustainable Estimated Revenue to the extent that we needed additional financial resources to invest in the areas defined by the Strategic Development Plan, as mentioned above. On the one hand, since 2011 the Government has adopted a policy of 'frontloading', i.e. anticipate now the expenditure on capital investment, so that, at the beginning of 2020, these will create adequate tax revenues to reduce Timor-Leste's dependency on the Petroleum Fund. To finance such a 'frontloading' policy, we have to withdraw some of the money from the Petroleum Fund and resort to loans made available by partners with lower interest rates lower than the interests gained by the financial investments we have made from the Petroleum Fund.

On the other hand, when we analyze the data of non-petroleum revenue, we see that such revenues are not stagnant as, since 2011, for example, and until 2015, the non-petroleum revenue increased from USD 111.7 million to USD 170 million, i.e. in five years there was an increase of 52.1%. This progress is still not the best we can achieve, but demonstrates that the non-petroleum revenue assumes a high potential to become an additional source and significant contribution to finance the socio-economic development of Timor-Leste, provided that there is a serious investment in our economy. The economic and fiscal reforms currently under execution by the Government attempt to (1) further diversify the type of non-petroleum taxes; (2) extend the tax base, i.e. the range of contributing taxpayers; and (3) render a more efficient administration.

Mr. President, distinguished Members of Parliament, people of Timor-Leste.

Another important concern expressed by His Excellency the President of the Republic, in the message to veto the GSB for 2016, focuses on the sustainability of Timor-Leste's development in the future. Such concern was transmitted through a syllogism, or a reasoning model based on deduction, with two premises geared towards a conclusion. The syllogism regarding the sustainability of Timor-Leste's future development is written on page 3 of the message of His Excellency the President of the Republic. I quote:

"In a GSB where:

- a) the current State expenditure corresponds to more than two thirds of the total expenditure, and in which*
- b) nearly half (47%) of the overall financing of the budget is done above the ESI, means that the withdrawals above the ESI are not intended to safeguard the interests of Timor-Leste's future and of the Timorese, but to finance the current functioning of the state machinery."*

When we look at this deductive thought superficially, we may get the impression that the conclusion is correct, that the GSB proposal for 2016 only safeguards the State machinery and not the future interest of Timor-Leste and of the Timorese, since the Government has proposed the use of 75% of 2016's GSB to sustain the State machinery.

However, if we carefully analyse the Budget Books 1 to 6, we note that:

- (1) The Recurrent State Expenditure (i.e. the total amount allocated in the GSB for 2016 intended to sustain the state machinery, namely wages and salaries, part of goods and services, and part of minor capital) does not exceed 29% of the total GSB for 2016. This means that the budget intended to support the State machinery for 2016 is only USD 453.862 million.
- (2) The Capital Expenditures and Public Transfers allocated in the GSB represent 71%, i.e. USD 1,108.371 million.
- (3) The Estimated Sustainable Income for 2016 is USD 544.8 million, and the estimated non-petroleum revenue for 2016 is USD 171.4 million. These together amount to USD 716.2 million. This means that the Recurrent State Expenditure does not exceed the total Estimated Sustainable Income in conjunction with non-petroleum revenues.

Based on the facts presented beforehand we can conclude that the syllogism, i.e. the deductive reasoning above-mentioned, is not correct, or becomes what is called a "fallacy" in philosophical logic. This means that, when we do not analyze in detail the information contained in Books 1 to 6, the concern with the sustainability of Timor-Leste's development in the future, expressed by the syllogism above, may seem correct, but after a detailed analysis becomes unfounded.


Mr. President, distinguished Members of Parliament, people of Timor-Leste,

His Excellency the President of the Republic also expresses concerns on the way in which we define national priorities and how we invest our resources, which are limited, especially when, according to the perception of His Excellency the President of the Republic, the GSB for 2016 (1) added 24% to infrastructures, particularly in the ZEESM and in the Tasi Mane project, which "allegedly" do not offer guaranteed returns; (2) markedly reduced the budget for health, education and agriculture, and (3) that there is the need to maintain a balance in the development of rural areas.

The Government is aware of such concerns, but would like to clarify the following points:

- (1) The increase in the budget for infrastructure is based in the context of a commitment that the State has taken in order to diversify the economy in Timor-Leste. If Timor-Leste does not continue to invest in infrastructure, as a means to invest in the socio-economic investment process, how can we diversify our economy and thus reduce the dependence on the Petroleum Fund?

- (2) As was already explained during the debate of the GSB for 2016, in general terms and of each individual section, the return of public investment is not similar to that of private investment. All investments, both public and private, face the dilemma between risk and return, and the decision to invest is usually made on the basis of a good balance between risk and return. A smaller risk is usually associated with a smaller return, and a larger risk is associated with a larger return. A Portuguese popular saying states that: “Nothing ventured, nothing gained”, i.e. those who do not want to take the risk will not get the “treat”, i.e. will not enjoy the good results. Which risks may affect public investment? Let me mention just three important risks: inefficiency, wastefulness and corruption. Are we ready, or not, to face such risks? Good planning will reduce the risk of inefficiency, and good control mechanisms will reduce the risk of wastefulness and corruption. Regarding return, the greatest return on public investment is social return, immediately followed by the economic and fiscal returns, and finally the financial returns. However, in all investments, public and private, it is difficult to predict the scale of the return, in particular financial return. Even with a variety of feasibility studies and methodologies, it is still very difficult to predict an exact financial return.
- (3) In what regards the ZEESM, the initial feasibility study carried out before the adoption of Law No. 3/2014 says that the Special Economic Zone in Oecusse-Ambeno (at the time, the social component was not yet included) will need an investment of USD 4 billion during fifteen years, intended for a special economic zone with an area of 170 hectares (within the area of Pante Macassar, including Padiai and Tono). Of this amount, the estimate for private investment is 75%, public investment 25%, and the objective of this public investment is to create adequate conditions regarding roads, electricity, drinking water, port, airport and other infrastructure to attract Foreign Direct Investment. Economic activities within the 170 hectares can also generate, in addition to the social, economic and tax return, from 2030 onwards, a **20% financial perpetuity/year**, or in other words, the assets generated from the investment of USD 4 billion will generate a fixed income of about USD 800 million/year. However, we must update this feasibility study in that it needs to also account for the concept of “social market economy”. This means that it should also include the Oecusse-Ambeno territory (with an area of 850 km²). The spatial planning for the SAROA will be concluded this month and on the basis of this plan, the Strategic Development Plan for ZEESM will be prepared, including Ataúro as a complementary pole of development. This Strategic Plan will identify specific economic investment projects and will carry out feasibility studies for each project. Regarding Ataúro, the spatial plan is ready, and at the beginning of this year, the public investment allocated to Ataúro will concentrate on infrastructure, especially drinking water, electricity and the port. When the spatial plan is approved by the Council of Ministers, it will also serve as the basis for developing a part of the Strategic Development Plan for ZEESM regarding Ataúro, and then feasibility studies will be carried out for each economic activity project already identified in the Strategic Plan.

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- (4) Regarding the Tasi Mane project, the estimates made by previous governments reveal that public investment, in the next 7 years, will need to reach USD 2 billion, in particular for the construction of the Suai supply base, the highway and the airport, all aimed at attracting foreign direct investment totalling USD 15 billion, for the construction of the LNG plant, refinery, and industrial zone for other complementary industries. Such investments, in addition to the social, economic and tax returns, as per the estimates, create the potential to accumulate income for the State, beginning in the next twenty years, of up to USD 40 billion, through the extraction and processing of oil and gas industries.
 - (5) If we consider only Timor-Leste's Consolidated Fund, it is correct to say that the budget for 2016 suffered a reduction in health, education and agriculture, compared to 2015. However, if we include the expenditure for the capital allocated to PIMD (previously known as IDDP), the Infrastructure Fund and the Human Capital Development Fund, we can see that for health there is an amount of USD 65.6 million for the year 2016 (while in 2015, USD 67 million were allocated in the Consolidated Fund, where only USD 63 million have been executed); for agriculture, for 2016, the amount is USD 28.1 million (while in 2015 USD 27 million were allocated in the Consolidated Fund, having only executed USD 26 million) and for education, for 2016, USD 112 million were allocated (while in 2015 USD 103 million were allocated in the Consolidated Fund, only USD 102 million have been executed). Under the Government's perspective, the amount or percentage of the amount allocated to such sectors alone should not serve as a single standard in relation to our act of giving, or not, priority to such sectors. The amount allocated should also meet the capacity to execute the allocated funds and to implement the programmes or projects with quality.
 - (6) The GSB for 2016 allocates 49.8%, or USD 453.8 million in the category of capital expenditure and public transfers to the 13 municipalities. Although this does not ensure, by itself, the balance in the development between the rural and the urban areas, it reveals at least that the allocation of the GSB for 2016 is not concentrated just on the national projects.

Mr. President, distinguished Members of Parliament, people of Timor-Leste,

Another concern transmitted by His Excellency the President of the Republic in its veto message is the elimination of the then Infrastructure Fund, as a special fund, and the creation of the Infrastructure Fund as an autonomous fund. According to the veto message, the creation of this fund does not abide by the legal framework that defines the rules for the transparent functioning of special funds.

The Government understands the concern about the legality and transparency regarding the establishment of the autonomous infrastructure fund, but would like to express its point of view in the following:

- (1) The Infrastructure Fund that Decree no. 20/III, The General State Budget, proposes to create **is not a special fund as defined in Article 32 of Law No. 13/2009, of October 21st**, but an autonomous fund, with legal personality, and administrative and financial autonomy.
- (2) The importance in creating the autonomous fund, in substitution of the special fund, is that through this autonomous fund we do not need to, annually, re-appropriate the amounts whose execution were not completed until the end of the year. Such a mechanism offers two important benefits: (a) the payment process intended for infrastructure projects can be performed even if we have reached the end of the year and even if the budget has still not been approved and promulgated, a situation that we currently face. It also solves liquidity problems for companies, a common cause for the delay in the implementation of works accross the country; (b) this mechanism will open fiscal space, allowing for budget allocation for areas that require investment. Because every year we have to re-appropriate the amounts whose implementation were not completed before the end of the year, such re-appropriation occupies a “fiscal” space, removing flexibility in budgetary allocation process each year. A concrete example: in 2016, we allocated USD 1 million for the construction and supervision of an irrigation scheme in Larisula. If, by the end of December 2016, the work is only completed up to the amount of USD 600 thousand, we will not need to re-appropriate the remaining USD 400 thousand in the GSB for 2017 to complete this work because the autonomous infrastructure fund will already retain the amount of USD 400 thousand to complete the work. Thus, one may continue to pay the invoices from the company executing the work, even if we were in December 31st, and the start of GSB implementation for 2017 cannot occur in January, a situation that we face today.
- (3) Regarding the legality of the establishment of the autonomous infrastructure fund, the Government is of the opinion that: (a) the most appropriate legal instrument to create an autonomous fund is the General State Budget Law, in so far as this autonomous fund represents a financial figure with budgetary impact, and the GSB Law constitutes a more appropriate legislative instrument to define rules and financial and budgetary impacts, also respecting the principle of universality or unity, as in the provisions of article 4 of Law no. 13/2009; (b) the proposal for the creation of this autonomous fund does not contradict Law no. 13/2009 because the proposal complies with the principle of transparency, and the specification of the revenue and expenditure is clearly described in the purpose of the autonomous fund and its global revenues and expenditures are described in Annex II and Annex III, in the part relating to the “Autonomous Services and Funds”, according to what is stipulated in the Law no. 13/2009 in article 27; (c) the proposal for the creation of this autonomous fund also ensures its subjection to international accounting standards, and also to the inspection and monitoring budgetary implementation by other sovereign bodies, as per the provisions of Law no. 13/2009, in

articles 52 and 53.

Mr. President, distinguished Members of Parliament, people of Timor-Leste,

After having presented the Government's position, and with all due respect to the concerns of His Excellency the President of the Republic, expressed through his veto message, I would like to, in the name of the Government, point out that **the budget proposed by the Government for 2016 seeks to use our limited resources toward the sustainable development of our country and improve the living conditions of our population.**

The Government does not dispute the need to invest more in favor of the Timorese, through education and health, as tools for well-being, but the Government is also of the opinion that "more investment" does not just mean an "increase in funds" where, in practice, the institutions responsible for planning, management and implementation of the budget will not be able to absorb and use in a context of implementation with quality.

Lastly, it is true that after thirteen years of the restoration of our independence, together, we can improve and we can do even more, provided that each one of us, abide by the rules as defined in the Constitution.

Let's move forward with confidence, because together we can build the nation from the bottom to bring change to the lives of our people!!!

Thank you for your attention!

Dr. Rui Maria de Araujo

January 8th, 2016

**SPEECH BY HIS EXCELLENCY THE PRIME MINISTER
OF THE DEMOCRATIC REPUBLIC OF TIMOR-LESTE,
DR RUI MARIA DE ARAÚJO, AT THE DEBATE ON DRAFT LAW NO. 41/III (4ª) –
FIRST CHANGE TO THE 2016 GENERAL STATE BUDGET**

National Parliament
12 July 2016

Your Excellency the President of Parliament
Your Excellencies the Vice-Presidents of Parliament
Distinguished Members of Parliament
Fellow Members of Government
People of Timor-Leste

I am here at this Great House on behalf of the Sixth Constitutional Government to request the first change to Law no. 1/2016 of 14 January on the 2016 State General Budget.

Before I go into details, please allow me to present to this Great House and to all the people of Timor-Leste an overview of the social and economic development in our beloved country.

As we know, the Programme of the Fifth Government was discussed and approved by Parliament in March 2015. The present programme is partially a continuation of the Programme of the Fifth Government – while differing in certain aspects – and also seeks to implement the Strategic Development Plan, which was approved by Parliament in 2011 and serves as a guide for the social and economic development of Timor-Leste from 2011 to 2030. According to the Strategic Development Plan, 2016-2020 will be the years in which Timor-Leste enters its second implementation stage, involving the three key directives: (1) Continuing to develop infrastructures, (2) Consolidating Human Resources; (3) Developing the Country's economic competitiveness.

The three lines of action already set in the Strategic Development Plan for 2016-2020 – in which the Government is presently trying to harmonise and incorporate the Sustainable Development Goals already formally adopted by this Great House – seek to build on the great efforts already done to transform the Timorese economy from a subsistence oil-and-petroleum-dependent economy into an economy that is based on service delivery, agribusinesses and manufacturing, so as to lead Timor-Leste towards the goal already set by the Strategic Development Plan.

In order for these economic transformation and diversification efforts to be fulfilled, Timor-Leste needs to continue investing in core infrastructures and in human capital. Timor-Leste has two pathways available to it for doing so: public investment and private investment. Like

other small-market post-conflict countries, Timor-Leste still has difficulties in attracting private investment in the areas of core infrastructure and human capital development. The ultimate goal of private investment is to keep its patrimonial value and to make profits for its stakeholders/members. In order to make profits, private investors must invest in an economy or an economic area where risk perception is the lowest and where there is potential for financial returns. In other words, private investors will invest where they believe there is great potential for making profits.

The dilemma faced by countries such as Timor-Leste is this: If private investors are not interested in investing their capital in core infrastructure and human capital – if these are not areas promising large financial returns – then who will? Can the State choose to make use of public investments through the financial resources or reserves available to it? Immediately this dilemma leads to another question. If the State chooses to make public investments, should the principle applied by the State to public investments **be equivalent** to the principle of attracting profits that guides private investors?

Mr President, illustrious Members of Parliament, people of Timor-Leste

Starting in 2011, Timor-Leste chose to use the financial resources held in the Petroleum Fund, exceeding the Estimated Sustainable Revenue, to make public investments in core infrastructures and to develop human capital. Still, there is a concern as to the returns of the public investment already made using money from the Petroleum Fund above the Sustainable Estimated Revenue. Unfortunately, when speaking about public investment through the Petroleum Fund we tend to confuse returns with profits. These are two different concepts.

As explained before at the 2016 GSB debate, public investment returns are not comparable to private investment returns. Every investment, both public and private, must deal with the dilemma between risk and returns, with the decision on whether to invest usually being based on a good balance between risk and returns. Smaller risks are normally associated with smaller returns, and vice-versa. What would the risk be in public investment? I am speaking of just three important risks: inefficiency, waste and corruption. Are we ready to face these risks? Good planning reduces the risk of inefficiency, while a good control mechanism reduces the risks of waste and corruption. As for returns, the most important returns of public investment would be social returns, followed by economic returns, then tax returns and finally financial returns. However, in all investments, whether they are public or private, it is difficult to ensure the quality of returns, particularly in terms of financial returns or profits. One can carry out feasibility studies and use other methods, but it is still difficult to determine the exact financial return that a project or a business may attract.

Mr President, illustrious Members of Parliament, people of Timor-Leste

Within the context of public investment to support the diversification of the Timorese economy,

and as I have stated before, the Sixth Constitutional Government is submitting to this Great House the draft alteration to Law no. 1/2016 of 14 January on the 2016 GSB, namely:

- (1) Alteration of Attachment I of the 2016 GSB on the funding of expenses through the Petroleum Fund;
- (2) Alteration of Attachment II of the 2016 GSB in the part concerning the Infrastructure Fund;
- (3) Alteration of Attachment III of the 2016 GSB in the part concerning the Infrastructure Fund;
- (4) Alteration of Article 4 of the 2016 GSB on the threshold authorised by Parliament for funding the GSB;
- (5) Alteration of Article 7 on the complementary rules for budget execution.

In short, the Draft Alteration to Law no. 1/2016 of 14 January requests Parliament to authorise a budget increase of \$390.7 million in Capital Development for funding the infrastructure projects already included in the three categories. According to the 2016 GSB budgeting exercise (1) the budget for these projects was insufficient; (2) the contracts had not yet been signed and the 2016 tax envelope was insufficient; (3) the 2016 budget allocation was not enough for settling debts.

I will not go into detail regarding the projects included in this category, since the explanatory memorandum submitted by the Sixth Government to this Great House already contains those details. Nevertheless, I would like to seize this opportunity to highlight a few items:

Firstly, Government agencies are improving their supervision in relation to works. This has a positive implication on the services provided by contractors, leading them to improve the quality and timeliness of the works they perform. Additionally, the Infrastructure Fund, which according to the Law is an autonomous entity, makes payments directly to the Central Bank. This has an impact on the time required for paying contractors. In view of the above, the figure foreseen in the 2016 GSB was insufficient for meeting every payment, which is why we are requiring an additional grant to make sure that companies have sufficient liquidity to continue carrying out works of good quality and that comply with the schedules set in their contracts. Payment delays by the State, whether due to bureaucracy or lack of budgeting, cause considerable damage to the liquidity, performance and ultimately the sustainability of companies.

Secondly, there are some multiyear projects, such as the State's part in the construction of the Tibar Port, the State's part in the Dili drainage system and the payment concerning the construction of the Suai logistics base that could not be included in the 2016 GSB. Although they are behind schedule, the Government needs to assume its financial accountability in 2016 so as to ensure that these projects will indeed be carried out. These projects are very important

to the effort of transforming and diversifying the economy of Timor-Leste and constitute a step forward so that the State may facilitate and attract private investment in other areas.

Thirdly, in the next year there will be presidential and general elections in Timor-Leste. The Government that is elected in August next year cannot start its mandate by settling debts from the previous financial years. Furthermore, regardless of the application of the accountability mechanism on the State body managing public monies, as set in the law, the Sixth Constitutional Government acknowledges that would be harming to the private sector and business people if it failed to anticipate a budget for settling current debts.

Mr President, illustrious Members of Parliament, people of Timor-Leste

The Sixth Constitutional Government is aware that this additional request must be sourced from the Petroleum Fund, since non-petroleum revenues are insufficient to meet these additional needs. This additional request may raise some doubts on the future tax sustainability of Timor-Leste, as well as on the implementation capacity by the Government itself. I have already explained the need for this additional request in order to continue having public investment, which means that doing so again would be merely repeating myself. However, I would like to make use of this opportunity to highlight a few more items:

Firstly, the total current expenditure of the State, i.e. the money allocated in the 2016 GSB for sustaining the State apparatus – salaries and wages, goods and services and minor capital – is but 29% of the 2016 GSB. This means that the cost of sustaining the State apparatus in 2016 is \$453.862 million. The 2016 Estimated Sustainable Revenue is predicted to be \$544.8 million, while non-petroleum revenues in 2016 are forecasted at \$171.4 million. These two figures add up to \$716.2 million. This means that the current expenditure of the State does not exceed the Estimated Sustainable Revenue and represents an even lower percentage if we add the non-petroleum revenues. Indeed, \$262.3 million from the Estimated Sustainable Revenue and non-petroleum revenues was not used on the State's current expenditure but rather on public transfers, i.e. on benefitting the community. It follows that the excess withdrawal from the Petroleum Fund was used on public investment in the area of core infrastructures and human capital development. According to the estimates, starting in 2020 we will start to witness greater social and economic returns for the people, which in turn translates into larger tax returns for the State.

Secondly, if we consider the data on non-petroleum revenues we can see that this figure has not stagnated. Indeed, non-petroleum revenues increased from \$111.7 million in 2011 to \$170 million in 2015, which corresponds to a 52.1% increase in a five-year period. As long as there is a serious investment in our economy, non-petroleum revenues have great potential and can mean a very significant additional source for funding social and economic development of Timor-Leste. The Economic and Tax Reform currently being undertaken by the Government seeks to (1) further diversify the type of non-petroleum tax; (2) further expand the basis or universe of taxpayers; (3) make tax administration more efficient.

Thirdly, being an autonomous fund approved by Law no. 1/2016 and already regulated by Decree-Law no. 13/2016, the Infrastructure Fund is easier to execute since (a) it has an Administrative Council dedicated to manage its budget; (b) it has greater execution flexibility, considering for instance that rule for transfers within items is different from the rule on non-autonomous bodies and services; (c) the payment process no longer goes through the Ministry of Finance, instead being sent directly to the Central Bank Secretariat. This reduces bureaucracy and accelerates payment processes.

Mr President, illustrious Members of Parliament, people of Timor-Leste

In view of the above, and on behalf of the Sixth Constitutional Government, I hereby request the illustrious Members of Parliament to approve this Government proposal to alter Law no. 1/2016 of 14 January, so that together we may contribute to economic transformation and diversification, enabling us to achieve the target set in the Strategic Development Plan and the Sustainable Development Goals.

Thank you very much.

Dr Rui Maria de Araújo
12 July 2016

**SPEECH BY HIS EXCELLENCY THE PRIME MINISTER
DR RUI MARIA DE ARAÚJO PRESENTING
THE STATE GENERAL BUDGET 2017 TO PARLIAMENT**

National Parliament, Dili
23 November 2016

Your Excellency

The Speaker of Parliament

Your Excellencies

The Deputy Speakers of Parliament

Your Excellencies

The Members of Parliament

Fellow Government Members

Ladies and Gentlemen

People of Timor-Leste,

It is a great honour and satisfaction for me to come before this Great House on behalf of the Sixth Constitutional Government in order to present the State General Budget (SGB) for 2017. This budget, which is the last one I have the privilege of presenting, continues implementing our political commitment up until the end of our mandate in August 2017.

The Government is also privileged to present in the present year the budget for social security which, in accordance with Law no. 12/2016, must be submitted to Parliament together with the State General Budget, although it is the subject of a separate debate.

Before I go any further I would like to congratulate this Great House for its initiative to hold a seminar on 9-10 November, in which the Government participated, with the purpose of debating the “2017 budget overview”.

Government activities are ruled by transparency and rigour, since the State budget is a budget for everyone. As such, the Government cannot but support initiatives that contribute to making Parliament further promote transparency and scrutiny concerning the State public accounts. The Government would also like to see the civil society and other institutions conveying their opinions, so as to make the debate over the next few days even more rewarding.

The Government is ready to contribute to a dynamic discussion on the SGB 2017, centred around the policies and programmes that reflect its options and that have contributed to improve the living situation of our people.

Mr Speaker,

From this general perspective we could say that the public investment made by the State through the SGB is a very effective tool for combating poverty and misery; it is an important tool that seeks to transform Timor-Leste into the country we all dream it will become, as is underlined in the vision contained in the Strategic Development Plan (SDP). It is also a decisive instrument for creating the necessary conditions so that social and economic development can be realistic, inclusive and sustainable. In view of this, the public investment we are doing through the SGB, using domestic revenues and Petroleum Fund revenues, will benefit the current and future generations of Timorese People throughout the national territory.

As such, it is due to the Government's front loading policy, i.e. "a tax policy seeking to invest within the country an amount exceeding the estimated sustainable revenue of the Petroleum Fund in order to set the conditions for diversifying the non-petroleum economy", that public investments done by the State through the SGB from 2007 to 2014 have enabled economic development and have increased by 8.6% a year the non-petroleum Gross Domestic Product (GDP), i.e. the GDP not resulting from the petroleum and gas revenues. Additionally, over the same period investment by the private sector increased 17.3% and household consumption increased 9.8%.

This data shows that the front loading policy is yielding rather positive results and creating conditions that should enable more progressive economic and social development in the future.

Due to the importance of having public investment within the country, drafting the SGB is an exercise that requires great responsibility, transparency, rigour and realism. Consequently the Government has drafted the SGB for 2017 based on the set national priorities, namely education, health, agriculture and core infrastructure, including drinkable water, sanitation, road construction and maintenance, irrigation, bridges, ports and airports, while also strengthening the other sectors that contribute directly or indirectly to our country's social and economic development.

When drafting the SGB 2017, the Government also considered the following factors:

1. Fiscal sustainability within the perspective of domestic revenues, petroleum and gas revenues, Petroleum Fund revenues or profit, donor commitments and the possibility of obtaining concessional loans from international banks and financial agencies.
2. Budget execution capacity and quality by State agencies, as well as the market's capacity to absorb the investment from the SGB execution in order to boost the Timorese economy.
3. Continuing to implement the second stage of the Strategic Development Plan over the 2016-2020 period, focusing on efforts to develop infrastructures, consolidate the development of human resources and encouraging the development of the non-petroleum economy.

4. Implementing the commitments signed by Timor-Leste concerning the Sustainable Development Goals (SDGs), already ratified by Parliament and harmonised with the stages of the Strategic Development Plan, focusing in the short and medium terms, starting in 2017 with SDG 2 (end hunger, achieve food security and improved nutrition and promote sustainable agriculture), SDG 3 (ensure healthy lives and promote well-being for all at all ages), SDG 4 (ensure inclusive and equitable quality education), SDG (gender equality), SDG 6 (drinkable water and sanitation) and SDG 9 (improve infrastructures).
5. The new electoral cycle that will take place in 2017.
6. Global economy perspectives, which predict that emerging and development markets, as is the case of the Timor-Leste market, will grow around 4.6% in 2017; that global inflation will be 2.8% and that oil will cost around US 50 per barrel in 2017.

Mr Speaker, Messrs Deputy Speakers, Illustrious Members of Parliament, People of Timor-Leste

In view of the above, the Sixth Constitutional Government comes before this Great House to present the State General Budget 2017 as follows:

- 1) Total revenues: one billion three hundred and twelve point six million (US 1,312.6 million), namely two hundred and six million point two million (US 206.2 million) from domestic revenues and one billion one hundred and six point three million (US 1,106.3 million) from petroleum and gas revenues.
- 2) Total expenditure (including loans): one billion three and hundred eighty-six point eight million (US 1,386.8 million), divided by the following categories and figures:
 - Salaries and Wages: \$208.8 million
 - Goods and Services (including HCDF): \$395.8 million
 - Public Transfers: 421.3 million
 - Minor Capital: 11.9 million
 - Capital Development, including IF and loans: 349.0 million.

The expenditure proposed in the SGB 2017 will be funded as follows:

- Domestic revenues: US 206.2 million.
- Estimated Sustainable Revenue, i.e. the profit from the Petroleum Fund in 2017: US 481.6 million.
- Withdrawals above the Petroleum Fund's Estimated Sustainable Revenue: US 597.1 million.
- Loans from International Agencies: US 101.8 million.

This expenditure category may be divided from an economic perspective into two major classes: (1) Recurring expenditure, which is the expenditure sustaining the apparatus of the State, namely salaries and wages, goods and services and minor capital; and (2) Capital expenditure, which is

the expenditure used for investments seeking to create economic and social capital and not for ensuring the operation of the apparatus of the State. This latter class includes public transfers and development capital.

The draft SGB 2017 contains recurring expenditure of US 616.5 million and capital expenditure (excluding loans) of US 668.5 million. If we cross this with the funding sources I have just mentioned we can see that domestic revenues and the Petroleum Fund's Estimate Sustainable Revenue for 2017 add up to US 687.8 million. This figure alone is enough to fund recurring expenditure and still leaves US 71.3 million for funding capital expenditure. This means that the figure from the money deposited by the Petroleum Fund, i.e. the amount withdrawn above the Petroleum Fund's Estimate Sustainable Revenue, is not meant to cover recurring expenditure or to sustain the apparatus of the State, but rather to cover capital expenditure that will have a direct impact on economic diversification by creating jobs and that in the medium and long terms will yield social, economic, fiscal and financial returns.

The best way to reduce our dependency from petroleum and gas revenues is to diversify the economy, which is not possible without investing in human capital and in infrastructures, since these elements are transversal to every sector, benefit the people and create conditions for attracting further national and foreign investment to Timor-Leste.

Presently the way in which to continue investing in the human capital and infrastructures of Timor-Leste should be a combination between "the policy seeking to invest in the country an amount exceeding the Petroleum Fund's Estimate Sustainable Revenue, so as to prepare the conditions to diversify the non-petroleum economy" and the concessional loan policy, i.e. loans with low interest when compared with the interest generated by the money deposited in the Petroleum Fund.

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Looking at the revenues of the SGB 2017 we see that:

1. Domestic revenue has increased an average of 31% from 2013 to 2016, although the withholding tax (revenues from taxes charged directly to companies and consultants that sign contracts with the State) represents an average of 17% of domestic revenues. This means that while domestic revenues have increased, 17% of those revenues are basically transfers from the category of expenditure to the category of revenues.
2. Although progress has been made in the collection of domestic revenue, and while the projection indicates that that domestic revenue will continue the present average increase until 2021, (30%) of the public expenditure of Timor-Leste through the SGB will continue to depend mostly from the Petroleum Fund. It is estimated that an average of one to one point seven billion dollars will be withdrawn from the fund every year from 2017 to 2021, leaving the Fund with around twelve billion dollars in 2021.

I am stating this in order to show that the criticisms conveyed against the fact that Timor-Leste will cease depending from the Petroleum Fund in the medium term are cheap, unrealistic and utopic populism – a mere daydream. The front loading policy is a responsible and realistic policy that invests in areas and projects that can yield social, economic, fiscal and financial returns, after striving to minimise the risks usually associated with public investments, namely inefficiency, waste and corruption. This is the effort that the Sixth Constitutional Government is making and will continue to make in 2017.

On the other hand, if we look at expenditure in 2017 we see that:

1. Total expenditure in 2017 decreases around 30.6% against the 2016 rectification budget. There are three reasons for this reduction: firstly the Sixth Constitutional Government has started revising the public expenditure policy in order to stabilise expenditure levels and to control the excessive increase of expenditure in the public sector, so as to be consistent with the fiscal sustainability policy; secondly the Sixth Constitutional Government wants to increase the quality of expenditure, while reducing inefficiency and eliminating superfluous and wasteful expenses; and thirdly the amount allocated to projects related with infrastructure, goods and services and public transfers has been reduced against the 2016 rectification budget.
2. The category of Salaries and Wages increases 14.8% against the 2016 rectification budget because the Government decided to adjust the salaries of the General Career Regime with inflation. The last salary adjustment for the General Career Regime took place in 2008, while inflation, i.e. loss in purchasing power over that period, was around 50%. This adjustment also affected 47% of General Career Regime civil servants with an increase of 12-26%.
3. The category of Goods and Services (excluding HCDF) decreases US 46.4 million, i.e. an 11.2% reduction against the 2016 Rectification Budget. This reduction does not lower the quantity of key services to be provided to the people by the Public Administration. Instead, it increases efficiency and seeks to increase quality in expenditure, particularly by reducing superfluous expenses and waste related with catering, printing, office materials, fuel, vehicle maintenance, local travels and travels abroad. The expenses within this category, which are rather high (over US 5 million) and have direct and significant impact in the social and economic development of Timor-Leste, are (a) fuel, operation and maintenance of the Hera and Betano power plants (US 54.9 million); (b) school meals and subsidies to public schools, implemented by municipal authorities and administrations (US 17.6 million); (c) general elections in 2017 (US 15 million); (d) legal services seeking to safeguard the maritime sovereignty of Timor-Leste (US 12.3 million); (e) drinkable water and sanitation in urban and rural areas (US 9.6 million); (f) printing books and other school materials for public schools (US 8.5 million); (g) medicine and food for inpatients (US 7.7 million). The remaining Goods and Services, although not so expensive and related directly with expenses for sustaining the apparatus of the State, also influence the social and economic development of Timor-Leste, albeit indirectly.

For instance, the budget for Goods and Services allocated for supporting fiscal reform, supporting the recurring expenditure of SERVE and Trade Invest or allocated as a counterpart fund for co-funding physical projects or some private investment will yield positive effects in terms of the quantity and quality of private internal and external investment in Timor-Leste, as well as boost our efforts to diversify the non-petroleum economy in the best possible way.

Another example is the expenditure allocated for Goods and Services in the Ministries of Education, Health and Social Security. While a large part of it is spent on sustaining the respective recurring expenses, it will indirectly improve the social situation of the people. This is an effect from the implementation of the policies and programmes that are part of the tasks of those ministries. Ultimately everything will contribute to the development of the economy by way of developing human capital and its capacity to produce goods and services for the market, thereby increasing household purchasing power.

If, on the other hand, we consider the expenditure with Goods and Services allocated to the ministries, namely the Ministry of State Administration and the municipalities, the Ministry of the Interior and PNTL, the Ministry of Defence and the F-FDTL, the Ministry of Justice and the Ministry of Foreign Affairs and Cooperation, there are those who say that these expenses only sustain the apparatus of the State, that they are wasteful, that they do not yield returns, etc. Actually these expenses are not wasteful at all, since these sectors contribute to ensure law and order across the land, the rule of law and justice and cooperation with partners all over the world. All of this helps creating an enabling environment for social and economic development in Timor-Leste.

4. The category of Public Transfers decreased 11.5% against the 2016 rectification budget. This category is not included in the economic classification of Recurring Expenditure – although from a public accounting perspective it can be considered as recurring expenditure, since it will be repeated in the following fiscal year and since the State will have to continue providing for expenses in this category in the budgets for the following years – as the amounts allocated therein seek not to sustain the apparatus of the State but rather to sustain programmes inserted in the classification of economic investment or social investment, which include management expenses.

The expenses within this category, which are rather high (over US 5 million) and have direct and significant impact in the social and economic development of Timor-Leste, are US 172.1 million for RAEOA/ZEESM; (b) US 153.3 million for the social transfers programme, namely pensions for veterans and martyrs, pensions for the elderly and victims of natural disasters, the Bolsa da Mãe programme and expenses related with medical treatment of veterans; (c) US 16 million for mineral resource management; (d) US 11 million for the social solidarity budget concerning the State's 6% contribution as employer of permanent staff; (e) US 8.2 million for providing hospital care abroad and in Timor-Leste, as well as concerning cooperation with the Cuban Medical Brigade; (f) US 7.7 million for the municipalities in order to support basic sanitation; (g) US 6.5 million for the Episcopalian

Conference in order to support the social programme in the area of education and health provided directly by the Episcopalian Conference bodies; (h) US 6 million for subsidies to political parties seeking to support the democratic process in Timor-Leste, and (i) US 5 million for capitalising the Central Bank of Timor-Leste, thereby contributing to the development of the banking sector in Timor-Leste.

The remaining Public Transfers, although of a smaller amount, will contribute directly to social and economic investment in the country, such as the US 4 million allocated to the credit guarantee system for micro, small and medium companies; the US 4.4 million allocated for supporting civil society; and the US 3.3 million allocated to the rural employment programme.

5. The category of Minor Capital is used for acquiring movable assets such as motor vehicles, machinery, furniture and other office equipment. This category had its budget reduced by 37% against the 2016 rectification budget. Although this category is included in the class of recurring expenditure, the use of these goods and services contributes to the creation of conditions to provide quality services, thereby also contributing indirectly to the country's social and economic development. The expenses within this category, which are significant (over US 11 million), include (a) US 3 million to Parliament for acquiring vehicles for the members elected in 2017; (b) US 1.4 million for acquiring equipment for the National Health Laboratory; (c) US 1.3 million for acquiring a CT Scan for National Hospital Guido Valadares; and (d) US 1 million for acquiring prepaid meters for EDTL.

6. The budget for the Capital Development category is distributed as follows: US 222.6 million to the Infrastructure Fund; US 10.7 million to PDIM (Municipal Integrated Development Programme); and US 13 million to the capital development project of the Ministries.

According to the Strategic Development Plan, investments in key economic infrastructures, namely electricity, roads, bridges, drinkable water, airports and irrigation systems, are important elements for achieving sustainable economic growth and social transformation in Timor-Leste.

As such, in 2011 the Government created the Infrastructure Fund, containing budget for funding large infrastructure projects costing over US 1 million. Since 2011 the budget for this Fund covers twenty-two programmes, totalling one billion two hundred and fifty million dollars. After the electrification programme in Timor-Leste conveyed electrical power to around 75% of the national territory, budget allocation to the Infrastructure Fund continues to be focused mostly around priority investments, namely in national roads, ports, airports and irrigation systems.

The Infrastructure Fund in 2017 will be allocated as follows: 38.6% to the road programme; 22.1% to the development programme concerning the Tasi Mane Project; and 4.3% to the road maintenance and rehabilitation programme. The remaining 35% will be used to fund the infrastructure programme in the areas of agriculture, drinkable water and sanitation, education, health, youth and sports, tourism, electricity, etc.

7. The State General Budget includes funding for the Human Capital Development Fund, which supports expenses with human capital training through scholarships and capacity building. The amount allocated to this Fund in 2017 is US 27.2 million, distributed by four programmes: vocational training (US 7.4 million); technical training (US 2.5 million); scholarships (US 15 million) and other types of training (US 2.3 million). This budget is integrated within the budget category of Goods and Services, although in economic terms it should not be classified as budget sustaining the apparatus of the State. While part of this budget will be used for capacity building State officers, the amount allocated to this Fund may be considered as an investment in human capital, which will yield social and economic returns in the short, medium and long terms.

According to the Government's estimates, expenditure under the SGB 2017 will have the following macroeconomic impacts: (a) influence economic growth by around 4%. Although this growth is smaller than in 2016 (5.4%), it represents a moderate, inclusive and sustainable growth that is conducive to the economic, inclusive and sustainable development of Timor-Leste; (b) no impact on inflation. Estimated inflation in 2017 is smaller than the 4% foreseen in the SDP due to the interaction of factors such as supply (which will not be reduced) and demand (which can be reduced if expenditure in the SGB is also reduced), as well as favourable external factors such as the depreciation of the US dollar against Timor-Leste's other commercial partners (such as Indonesia); the price of agricultural commodities lowering prices in the international market; (c) although it is difficult to accurately estimate the impact of the SGB 2017 on the unemployment rate, we can state that a conservative estimate indicates that the amount allocated to Goods and Services, Minor Capital, Public Transfers and Capital Development can generate around 40 thousand jobs over the following year. This will have a positive impact on the unemployment rate, reducing the number of people with vulnerable jobs and increasing the workforce participation rate.

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This extensive description of revenues and expenditure in 2017 shows once again that our domestic revenues alone are not enough to meet the expenditure we require for sustaining the apparatus of the State and particularly for making the public investments we need to diversify our non-petroleum economy.

This is the reality today and in the next ten to twenty years. Indeed, we have been using money deposited in the Petroleum Fund – around US 3 billion – for making public investments in our economy since 2009. This is in addition to the interest from the Petroleum Fund, aka the Estimated Sustainable Revenue.

People of Timor-Leste, kindly allow me to provide you with an example to illustrate what I am saying: The Serakey family lives in Dili. Out of the entire household, only the head of the family is

employed, earning a salary of US 250 per month. The Serakey family has 5 children, all of whom are attending school, from pre-school to higher education. At the same time the Serakey family is supporting 4 cousins, nephews and nieces, even going so far as to pay their school fees.

The Serakey family does not own any land. It used a backyard that did not belong to it to build a simple and temporary house, even though the owner of the backyard – the Berelaka family – demanded the Serakey family to leave. Meanwhile, an inheritance from Serakey’s parents enabled the family to open a bank account with \$250 thousand, earning 3% interest per year.

The grandparents and the Serakey family itself decided to spend only the interest from this deposit and to avoid using the deposited money, so as to ensure that future generations of the family will also benefit from the money. However, the monthly amount from the interest of the inheritance is only US 625. Even adding the US 250 from the salary of the head of the family, the overall amount is not enough to cover the daily living costs of the family and to pay for the school fees of the family’s children, cousins, nephews and nieces, let alone to purchase a plot of land and to build a house.

If it were up to us, what would we do? Would we continue using only the interest and remain in the Berelaka backyard living in a temporary house? Or would we use the interest and some of the deposited money in order to buy a plot of land and build a house, so as to improve the well-being of the family? Alternatively we could also withdraw money to buy a microlet or to open some other business, thereby diversifying the family’s sources of income.

Different people could provide different answers, however this example illustrates the reality faced by the State of Timor-Leste. To some, the Serakey should not touch the deposited money. Instead they should “tighten their belt” and use only the interest and the salary. Subsequently, when the children became of age and started working, the family could start to think about purchasing a plot of land and building a house. This is what we can call the “belt tightening” policy.

To others, the Serakey family should withdraw more than just the interest, so as to purchase a plot of land, build a house and invest in some business, thereby diversifying the family’s sources of income. In other words, “withdrawing more than just the interest, not to purchase two beds but rather to improve the well-being of the family.” This is the front loading policy that the Fifth and Sixth Governments have implemented, and that will continue in 2017.

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The Sixth Constitutional Government believes that the SGB 2017, as was presented, will contribute to the sustainability of the economic and social development of Timor-Leste, even though it withdraws an amount exceeding the Estimated Sustainable Revenue.

The reforms achieved by the Sixth Constitutional Government over the past two years will maintain the existing conditions for diversifying our economy and reducing our dependency from the Petroleum Fund.

Firstly, the current Economic Reform and Growth has revised the organic structures, the policies and the legislation with direct impact on private investment, including a revision of the way in which Trade Investis structured and operates and of the waySERVE operates. It also approved a number of laws, some of which have already been submitted to Parliament, namely the Law on Private Investment, the Law on Commercial Societies, the Law on Land and Property and the Mining Code, just to name a few.

Secondly, the current Fiscal Reform is focusing on the perspective of revenue and expenditure. Concerning revenue, the Government is working to revise the Tax Law, studying the introduction of Value Added Tax (VAT) while trying to reform the structure and the operation of the tax administration bodies. The Tax Law and the VAT Law are still being drafted, however the Government has already revised the Customs Code and approved the new organic statute for customs authorities and tax authorities, which should start being implemented in 2017.

Concerning expenditure, the Government has already started to implement the planning, monitoring and evaluation mechanism in line with the planning, budgeting and budget execution process. This will include the budgeting of programmes over ten ministries in 2017, to be followed by the preparation for revising the legal procurement framework. Autonomous bodies and services have been managing their own budgets since 2016 and this will be extended to municipalities starting in 2017, so as to give more responsibility to the managers of agencies with administrative and financial autonomy.

Thirdly, the Public Administration Reform focuses more on the systems and procedures within public administration, also taking into account that personnel management mechanisms are to be reformed in a way that rewards merit, so as to motivate staff and consequently contribute to the delivery of efficient and effective services and to the social and economic development of Timor-Leste. Steps have already been taken in this direction. The Government approved the Decree-Law on competency standards for Leadership and Management positions in the public service; approved the Decree-Law on commendations in the public service, which have already started to be bestowed in 2016; and made an adjustment to the salaries of civil servants under the General Career Regime.

Fourthly, the Justice and Legislative Reform seeks to harmonise and standardise around four hundred Timorese legislative documents, attempting to correct the incoherencies and inconsistencies that have a boomerang effect on our social and economic development process.

In addition to these reforms, which ensure that the public investment made through the SGB achieves its goal, the State has a legal and institutional framework that supervises the SGB implementation mechanism, thus minimising inefficiency and incorrect uses of the SGB. Under the applicable law, State Agencies, Autonomous Bodies and Autonomous Services are politically, financially and criminally responsible for executing their own budgets.

Parliament itself plays an important role in overseeing the implementation of the SGB. The Inspectorate-General of the State, the Chamber of Accounts and the Anti-Corruption Commission are tasked with conducting investigations and audits, as well as verifying eventual irregularities.

In order to strengthen good governance the Government took the initiative, in partnership with civil society, to create the Social Audit for receiving feedback from the beneficiaries concerning the delivery of services and the implementation of programmes and projects by the Government. All these checks and balances help to ensure good governance and that the money withdrawn from the Petroleum Fund is used in accordance with the set goals.

The economic sustainability of Timor-Leste also entails restoring our sovereignty over our Seas. We all know that the wealth of maritime resources contributes strongly to our development, however we can only know the entirety of our maritime wealth when we set our maritime boundaries. As such, the Sixth Constitutional Government, through the commitment of its Chief Negotiator and Minister of Planning and Strategic Investment, Maun Bo'ot Kay Rala Xanana Gusmão, began the process for negotiating maritime boundaries with our two neighbours: Australia and Indonesia. The outcomes of the restoration of maritime sovereignty will provide even greater certainties, particularly in relation to the wealth that we can take into account in the process towards economic diversification and sustainable development in Timor-Leste.

We all know that we still have a long way ahead of us to achieve economic diversification and sustainable inclusive development. We also know that we will be facing many challenges along that path. Still, a series of reports issued a few months ago show that our country's social and economic development process is on the right track. For instance:

1. In the present year the World Economic Forum conducted a Review on the Impact of Sustainable Economic Development, putting Timor-Leste in the 7th place in the list of the countries that had greater success in converting economic growth into well-being for the people between 2006 and 2014.
2. Recently the International Monetary Fund stated that the Timorese economy is growing at a satisfactory rate, while mentioning the need and the capacity to diversify the economy. The IMF considers the progress made by the customs and tax reform as being rather positive, since it is a way to collect more domestic revenues.
3. The Poverty Report issued by the Directorate-General of Statistics in September of the present year states that the percentage of Timorese citizens living in poverty dropped from 50.4% in 2007 to 41.8% in 2014.
4. In its September 2016 issue, Lancet – a medical scientific magazine that enjoys good reputation throughout the world – stated that Timor-Leste, followed by Bhutan and Colombia, was the country out of 188 countries that has made the most progress concerning the 33 health targets of the Sustainable Development Goals since 2000. This improvement was a result of the interventions by the Timorese Government in the areas of universal health care, access to drinkable water and sanitation and peace and stability.
5. Last October the World Bank issued its quarterly report, stating that investments in infrastructures and other reforms are starting to yield results and suggesting the use of resources for diversifying the economy and ensuring fiscal sustainability.

While the opinions saying we are on the right track make us optimistic, Timor-Leste still has to deal with issues concerning public investment risks, inefficiency, waste and corruption. Furthermore, we have two specific challenges in the commercial and banking areas that must be managed so that we may achieve sustainable social and economic development.

Firstly, the Central Bank's Economic Bulletin September 2016 issue states that Timor-Leste's balance of payments features a large deficit when we exclude petroleum and gas. Everyone knows that Timor-Leste imports many goods and services. Over the last five years, i.e. since 2011, the deficit in terms of goods and services reached one billion point four dollars each year, the equivalent to the current account deficit of US 770 million, i.e. 58% of the non-petroleum GDP over that five-year period. This means that Timor-Leste spent more than it produced. Our effort to diversify the economy must reverse this equation, meaning that we have to start producing more than we spend. Although this is not an easy challenge to overcome we have had previous success in the area of agribusiness, if we take into account the production of coffee and horticultural produce.

Secondly, the Central Bank's Economic Bulletin September 2016 issue also states that the total deposits in the Timorese banking system continue to increase, having reached US 818 million at the end of September 2016. Although 95.5% of these total deposits are abroad, the commercial bank of Timor-Leste loaned a total of US 184.7 million up to September 2016, with an average interest of 14.5%. The great challenge that the State must overcome in this area is creating conditions for the deposits housed by the commercial bank to be able to re-enter the economy as loans to the private sector. For this purpose we have established a credit guarantee for micro, small and medium companies in 2017. We also expect the current Economic Reform and Growth to open new paths for these deposits to be transformed into private investments in our economy.

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Before concluding this presentation of the SGB 2017 I would like to underline the Government's commitment to continue striving to remain on this path that, although it requires a few adjustments, will enable us to meet the State's goal of bringing prosperity to our people.

I also want to seize this opportunity to congratulate all Timorese citizens, particularly women and young people, who have contributed with dedication and commitment so that Timor-Leste may have peace and stability, social and economic development may continue at a good pace and individuals and families may enjoy better living conditions, as is acknowledged by the international community.

Furthermore, I want to congratulate all Timorese women for what they have achieved in the recent suco elections. The increase in the number of women in community leadership positions further completes and strengthens the role of women in political offices, which should make every citizen proud. The Government is committed to continue working so that the implementation of the programmes and projects contained in the SGB 2017 may contribute greatly to the elimination

of discrimination against women and to the increase of women participation in public offices.

Lastly, Mr Speaker, Messrs Deputy Speakers and Illustrious Members of Parliament, on behalf of the Sixth Constitutional Government I would like once again to thank you for the opportunity to have an open dialogue and a honest and constructive debate on the SGB 2017. The Government is aware of the challenges being faced by the People, the Nation and the State, and believes that the programmes and projects contained in this SGB, together with your collaboration, will enable us to overcome these challenges.

Let us then move onward with self-confidence, for it is by working together that we build our Nation from the ground up and that we improve the living situation of our people!!!

Thank you very much for your time.

23 November 2016

Dr Rui Maria de Araújo