

Program of the IV Constitutional Government

PROGRAMME OF THE IV CONSTITUTIONAL GOVERNMENT [2007-2012]

**PRESIDENCY OF THE COUNCIL OF MINISTERS
DEMOCRATIC REPUBLIC OF TIMOR-LESTE**

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PREAMBLE

After 5 years during which the country took the first steps in establishing democratic institutions, the Timorese people expressed their will to see a change taking place, opting for a reformist political project, and thus clearly demonstrating their disposition to have a change of government.

On 30 June 2007, the Timorese people voted in conscience and unequivocally supported four political parties that established a platform to bring about the necessary reforms, to make possible a stable Government led by a team that is firmly committed to governing with the Timorese and for the Timorese.

The present distribution of parliamentary seats provides the Government with a solid base of support in Parliament and, therefore, warrants the necessary quietude for the design and implementation of a reformist political project that may secure for the country as a whole, and especially for future generations, the hope in a better future where respect for others and tolerance will go hand in hand with the country's social and economic development.

That is why the governance model for the IV legislature consists in a government of the Alliance for a Parliamentary Majority that includes independent members. Homogeneity was naturally a major concern in establishing the present government, and that in itself will ascertain the Government's stability and governability.

Notwithstanding its parliamentary majority, it is the Government's intention to govern in a dialogue with the political parties; with economic actors; with civil society, the Church, NGOs and other associations. The Government invites all these entities to constructively contribute to the well-being of Timor-Leste.

The present Government Programme reflects a convergence of the electoral programmes of the four political parties. It was drafted with significant contributions from citizens with no political party allegiances and coming from different sectors of Timorese society.

We have proposed to the electorate the start of a new political cycle in Timor-Leste, where politics and governance will have an ethical dimension. The Government was structured with a clear view to achieving reforms. It abides by a systematic set of principles and values that will guide its actions, namely by promoting:

- i. the value of civic and human rights;
- ii. the values of tolerance and respect;
- iii. the peaceful settlement of disputes;
- iv. the principles of good governance, supported by forceful and effective mechanisms to fight corruption, collusion and nepotism;

- v. the involvement of all to effectively cater for the basic needs of the communities;
- vi. the fundamental principle that all have to abide by the law.

We have proposed to the electorate a new political cycle that will change the present and the near future of Timor-Leste. This shall be achieved through reforms that will mobilize all Timorese for the national goal of development as a requirement to improve their living conditions. The Government is committed to establish the conditions for a decentralization of power, administratively dividing up the country so that some decision-making processes are taken over by local government and that the people feel that the ability to make decisions is not a monopoly of the top echelons of the State.

Consultation processes are therefore of vital importance, as is the involvement of various partners, both internal and external, especially at sectoral, district, sub-district and community levels, both for the planning of activities and the monitoring and evaluation of the country's development policies.

The Government is equally committed to working very closely with other organs of sovereignty, for together with the Government they have the duty and responsibility of fulfilling the noble mission of serving and granting dignity to the People.

INTRODUCTION

The Programme of the IV Constitutional Government reflects our commitment with Timor-Leste. The programme is, first and foremost, a fundamental tool to fulfill the pact of stability, loyalty, honesty, solidarity, steadfastness and mutual respect that the political parties making up the Alliance for a Parliamentary Majority (APM) have celebrated with the Timorese nation at the general election. The programme is also a tool to guarantee national stability and promote development and prosperity in Timor-Leste, a pledge we made on 8 August 2007 when this Government was sworn-in.

To re-build the confidence of communities in the organs of the State, we require a process that will promote gradual growth and that is capable of fighting unemployment and social inequalities. Only with a Strategic Plan for Economic Development will the people be able to understand and to follow the different stages of the process of National Reconstruction in which the people, themselves, will play the central role.

Thus:

- The Government is committed to undertaking an in-depth reform of the management of the State in order to ensure that it can effectively work for the common good;
- The Government will respect and promote the right to personal freedom and equality of citizens, as well as promoting civic and human rights, the values of tolerance and respect, with a view to developing a fully-fledged polity that abides by the Rule of Law;
- Besides fighting poverty through social and economic development, the Government's programme will proceed with and enhance the efforts aimed at consolidating national unity, peace and democracy; promoting citizens' self-esteem; fighting corruption, collusion and nepotism; strengthening national sovereignty and international cooperation;
- Agriculture is a fundamental sector for Timor-Leste's economy and society. It plays a central role in food production and job creation and is key to improving the living conditions of communities. Its role in achieving food security is unquestionable. The Government's policy for this sector will be implemented in the context of an overall policy of regional development, environmental conservation and against the backdrop of a strategic development plan aimed at improved productivity and sustainability.
- As regards fishing and animal production, the Government's main goal is to maximize the economic and social benefits that can result from these two important sectors in Timor-Leste.

Other objectives shall also be considered in agriculture, fishing and animal husbandry, such as improving the communities' security, overall quality and food reserve levels; contributing to improve

the balance of payments; and generating jobs.

This Government rejects the idea of “having a poor country and a people living in hardship, but being proud of keeping large sums of money in bank accounts in rich countries”. Thus, this Government intends to use the wealth of its natural and mineral resources in a controlled and efficient way with a view to improving the plight of communities and investing in the building of the nation.

Only a Strategic National Development Plan can guide the controlled and efficient use of the revenue from those resources and provide a safe framework for investments aimed at generating additional revenue. Transparency in the management of those processes is essential, and such transparency can only exist if the subject of natural resources is not confined exclusively to those in the Government and in power.

Implementing a non-partisan system for this sector shall be a priority, both in the agencies that deal with the sector and in the oversight mechanisms, where technical and professional knowledge shall be the key criteria. On the other hand, a reassessment of revenue allocation is urgently required. Clear investment criteria must be defined for multiplying such revenue, and a system for saving the funds must be defined that is tailored to Timorese reality.

The overall vision of this Government regarding energy policy is based on the principle that safeguarding the supply of energy to the nation and to communities, both for domestic and industrial use, is essential.

Energy plays a paramount role in the sustainable development of the country. The Government will foster national competitiveness, making the Timorese an active player in the process; ensuring a sustainable development by making use of all available energy sources; emphasizing the use of more renewable resources; and promoting the principles of environmental protection.

The Government is committed to turn this legislature into an era of economic development supported by a model of sustained development that the Timorese nation is entitled to with a view to warrant well-being to all.

The economic policy that this Government intends to implement shall be focused on the living conditions of the Timorese and will aim at improving such conditions. Our country is poor and more than half of our population lives in poverty, especially in rural areas.

Timor-Leste remains one of the 20 poorest countries in the world, and nearly half of the population lives on less than 1 USD a day, which in itself is a indicator of poverty. More than half of the population has no food security, and only about 30% of arable land is being use for small crops or in combination with animal farming.

An effective fight against poverty is required, through enhanced economic growth brought about by public investments, growing investments by the private sector, a greater food availability resulting from increased productivity and crop diversity.

Public resources shall be used in pro-poor policies and in setting up a social security net for the most vulnerable groups, as well in the prevention of humanitarian crises. This too shall be a priority.

Reducing social inequalities and promoting the integration of the unemployed in the national productive fabric shall be a major concern of this Government. Those are essential factors to economic growth and, therefore, to a significant improvement in the well-being of the Timorese as well as a way to fight social exclusion.

The Government believes that the private sector is a fundamental partner for national development, for it generates wealth and jobs outside the sphere of the State. The national private sector shall be

supported by the State. Support shall be based on criteria of competence, projects' worth, professional honesty and technical capability. The Government shall fight political cronyism which hampers the nation-building process and capacity-buildings amongst national business people.

The Government shall also promote the establishment of small- and medium-sized companies, valuing national products and promoting productive activities, thus contributing to the generation of further jobs in the communities.

The Government shall also review the current investment policy with a view to promoting foreign investment, which could become a driver for development and the creation of jobs for youth. For that to happen, an environment of peace and tolerance will have to be fostered, so that Timor-Leste may be perceived as an attractive location for foreign investment.

- The Government shall define job creation as a priority goal, especially with a view to finding occupations to young Timorese, who have often been responsible for creating turmoil in the country. In the short-term, policies, programmes and projects shall be drafted to accelerate job creation and revenue-generation. With this in mind, the Government shall also do the utmost to promote vocational training, which shall be approached horizontally and involve all the sectors of the economy.
- The Government is committed to the development of a structured tourism industry that will promote tourist facilities in a sustained and responsible way, through planning, coordination and harmonization of transversal policies bearing in mind the need to combine and harmonize nature conservation, the management of natural resources and land planning.
- The Government shall reform and modernize the civil service with a view to promoting good governance. To do so, the Government shall work to ensure that the civil service operates at all times within the law and strives for the common good; it shall rationalize the use of public assets and resources; it shall rehabilitate the image and role of public services, implementing rigorous oversight mechanisms; it shall promote criteria of impartiality and merit in the development of civil servants so as to ensure their professional stability, namely by stepping up the review of the current careers system.
- During this legislature, the Government shall focus on strengthening local government. The Government believes that decentralization and active participation of communities are indispensable to the exercise of citizens' rights. Bearing in mind national constraints, the Government shall provide adequate means and resources to local government, in a close partnership with traditional authorities, for them to fulfill their duties.

Hence, the Government shall design a decentralization policy and set up the drafting of relevant legislation to empower local government.

- Sound public finances are a pre-requisite to economic development. Thus, a transparent, solid and truthful management of public finances is essential to ensure that the economy develops in a competitive way as well as to ascertain the credibility of the State, both nationally and internationally.
- The Government considers education as an investment in the country's future and will therefore define priority areas through an action plan aimed at reforming the education system.

The Government believes that human resources are the main driver for the social and economic development of the country, and that skills and qualifications have to be made available that are fit for use in Timor-Leste's labour market.

The Government considers that the development of an education system that is financially sustainable, provides quality education and is geared towards Timor-Leste's development needs is a national imperative.

Hence, the Government will implement measures aimed at broadening quality education, promoting

free primary education, widening technical-professional education, enhancing the professional status of teachers, ensuring the coherence of technical education and implementing a strict and transparent policy regarding grants and scholarships to improve the intellectual skills of the new generation.

- The training and development of national human resources in a transversal perspective encompassing all sectors of society shall be a focus of this legislature. This can only be achieved with significant investments in education and vocational training.
- The Government shall pay particular attention to culture, bearing in mind its central role in building national identity and in promoting a sense of belonging to the nation.

Against such backdrop, there is an urgent need to define a coherent and effective cultural policy and adequate management models within the framework of a National Plan for the Management of Timor-Leste's Cultural Heritage. Such a plan should act as an interface between the different components of the management of cultural heritage (viz. legislative, educational, cultural and scientific).

- The Government shall be especially committed in the reform of the health sector, aimed at achieving significant gains in this area, which is fundamental to improving the living conditions of communities. The Government shall also invest in a health prevention system and in health and food education, which are essential, especially in the country's most remote areas.
- The Government shall implement social policies for it is the State's duty to look after the well-being of communities.

Thus, a social security system shall be one of the Government's priorities. The social services of the State must be effective and able to deliver a range of programmes to people in need aimed at developing and promoting human dignity.

The payment of pensions to combatants of national liberation and their rightful heirs shall be an imperative of this legislature, for it isn't just a moral duty but also a legal requirement.

The elderly and the widows that contributed to liberating the nation shall also benefit from specific projects aimed at ensuring their protection.

- Youth and women shall also be at the top of the Government's priorities regarding social policies. Thus, specific policies for young people and women aimed at job creation, education and sports, vocational training and the development of entrepreneurship shall be implemented.

This Government shall define a coherent policy for women that will be based on an integrated approach to gender issues, cultural development, establishing focal points in districts and combating illiteracy amongst women.

The Government shall also promote the creation of mechanisms that will encourage the participation of women in political activities and reduce the levels of domestic violence that they currently face.

- The Government shall consider the sustained improvement of the living conditions of the Timorese people a priority. In order to achieve this goal, the Government shall implement political initiatives aimed at improving existing infrastructures and building new ones, as they are essential to the development of all sectors of society, viz. housing, public works, transportation and road network, telecommunications, water, power supply and sanitation.

Because infrastructures play a central role in the sustained development of the country, the Government shall adopt a programme of investments and modernization of all kinds of infrastructures.

- The Government believes that a sustainable development requires environment-friendly economic and social policies, committed to the prudent and rational use of natural resources and

aware of its responsibilities vis-à-vis future generations.

- The operationality and efficacy of PNTL shall be enhanced, so that it may guarantee law and order. The safety of people and property and social stability play a relevant role in the development of the country and have a bearing on the quality of life in communities, as well as a positive psychological effect on potential national and international investors. Thus, the Government shall be committed to acknowledging and advancing the status of the police force. It shall revise its structure and territorial deployment; create mechanisms, procedures and operational rules that will result in greater proximity and more effective service to communities.

The Government shall also pay special attention to the technical-professional training of PNTL officers, as a sound training is essential to ensure that police officers fully comply with constitutional principles and scrupulously respect human rights while carrying out their duties.

- The Government shall make changes to the justice sector, as the delivery of justice one of the State's main duties. It shall promote a culture of justice in society and a justice system that is credible, independent and impartial.

The Government believes that justice is central to democracy, development and the well-being of communities. For that reason, the justice sector shall be re-organized. That will mean making the primacy of law and the respect for constitutional guarantees the cornerstones of a justice policy. Hence, the status of magistrates shall be acknowledged and advanced and the independence of judges safeguarded.

The Courts are competent to administer justice in the name of the people. The Government shall give special attention to the Courts, allocating them adequate and competent human resources as well as material resources which are essential for these institutions to fulfill their mission.

Prisons will also require an in-depth restructuring for the rule of law to prevail and to effectively combat impunity. The existing prison buildings will have to be refurbished and their services revamped. New prisons are also required so that the delivery of justice goes hand in hand with a decent treatment for those who have acknowledged their crimes.

The Public Prosecution Services shall also be restructured and given the necessary human and material resources so that they may provide quality services to the State and ensure that the civil service increasingly operates in a clear-sighted and law-abiding manner.

- The Government shall pay special attention the media within the framework of its constitutional responsibilities. It shall draft legislation and provide a legal framework for the sector whilst ensuring the media's freedom and independence and promoting the quality, seriousness and professionalism of the service the media should provide in bringing up citizens.

The media can be an important vehicle to undertake civic education initiatives and to promote good citizenship. With the support of the organs of sovereignty, they can contribute in innovative ways to a better understanding of the national political process.

- The Government is of the opinion that a national defence policy will have to take into consideration the re-structuring of the defence sector, turning the military into role-models in their professional conduct and deeds, so that they may play an active role in the reconstruction of the country and participate in a dignified manner in international missions, contributing to world peace which is an aspiration of all peoples.

The Government shall strengthen the role of the armed forces, drafting legislation that will enhance their performance, namely a Law on National Defence and the Armed Forces. The Government shall design a structure and establish a methodology to define a System of National Forces and its organization, as well as define the human and material resources that are required to the fulfillment of

its missions. There is also an urgent need to implement the upcoming reforms that derive from the Força 2020 Study Group with a view to enhancing the institutional capability of F-FDTL.

- The Government considers foreign policy to be of capital importance to Timor-Leste. The Government shall actively engage in strengthening Timor-Leste's international stand and activities. And it shall promote a policy of friendship and cooperation with all the countries in the world.

This Government, like previous governments, shall promote an active presence of Timor-Leste in the United Nations and multilateral cooperation with the various agencies of the UN system, as well as with bilateral cooperation bodies.

For geographic and historical reasons, the development of Timor-Leste's economy is especially linked to the economic development and political influence of ASEAN and Pacific Islands Forum countries, including Australia and New Zealand, as well as major Asian countries such as China and Japan.

The Government also plans to actively participate in CPLP and to tighten its links with the European Union. In the case of the former, especially from the viewpoint of promoting the Portuguese language; in the latter case, because such tightening may play an important role in structuring of Timor-Leste's political situation and in ensuring its openness to the world.

Countries such as Norway, Ireland, the United States of America, Korea, Cuba and the member states of the abovementioned institutions have contributed to the consolidation of Timor-Leste in specific areas, and therefore relations with them shall not be overlooked.

- This Government is committed to strengthening the unity, solidarity and friendship between the Timorese who live abroad, to whom it shall pay special attention for they are an integral part of Timorese society, with the same constitutional rights and duties.

The guidelines of this programme include achievable objectives in the short-, medium- and long-term that will be part of regularly updated national, regional and sectoral development plans; of poverty-reduction strategies that were successfully implemented in other countries; and that are also an integral part of programmes of regional and international scope, particularly the Millenium Development Goals.

The IV Constitutional Government is aware of the enormous challenges that it will face over the next five years, but is nevertheless optimistic about the implementation of its programme and will do the utmost to bring it about, leaving it to the Timorese people to decide on its outcome.

SHORT-TERM PRIORITIES

Government actions deemed to be a priority and therefore to be executed by the end of this year will aim, first and foremost, at recovering the trust in State bodies and institutions.

In order to achieve such goal, the Government is committed in the short-term to:

- Improving the security in Dili and throughout the country, ensuring that those that have been living in hardship in IDP camps may return to their homes and providing them with the necessary means to rebuild their lives;
- Solving the petitioners' problem, assessing and implementing the recommendations included in the Report by the Commission of Notables, promoting a dialogue with the F-FDTL and applying measures of social justice;
- Finding a solution to the problem of Alfredo Reinado and his group within the efforts undertaken so far and ensuring that the values of Justice will prevail;
- Contributing to community development through the funds that were recently transferred by the

previous government to the chefes de suco and ensuring that they are effectively used in the development of communities and in the establishment of community centres. Communities shall be involved in this process and shall be responsible for identifying their main needs, promoting a responsible and wealth-generating development that shall be focused on providing employment to young people;

- Auditing public bodies and agencies to promote transparent management and initiate the reform of the civil service;
- Promoting the development of the private sector to stimulate the onset of economic development and encourage job-creation, especially among the youth;
- Speeding-up the payment of pensions to combatants of national liberation and their rightful heirs pursuant to the law; and drafting legislation that will grant social protection to the most vulnerable groups, making the elderly a priority;
- Adopting a Transitional Budget that will cater for priority needs, goods and services until 31 December 2007;
- Drafting a State Budget for FY 2008 that is tailored to the real needs of the country and supports an integrated national development plan aimed at radically improving the living conditions of the population. In so doing, the Government shall make the civil year and financial year coincide.

This Government intends to give the Timorese people their due dignity and has a vision for Timor-Leste in 2020 as:

- A prosperous country where all the Timorese will have access to food, housing and clothing;
- A country where all the children will have access to education and will complete, at least, primary education;
- A country with low levels of infant mortality;
- A country where the whole population will have access to basic health care;
- A country where there will be no social or gender-based inequalities;
- A country with the necessary infrastructures, providing better living conditions and enabling a sustainable development and the elimination of regional imbalances;
- A country where all the Timorese will have a profitable occupation and unemployment will be almost non-existent;
- A country where a culture of peace, stability and tolerance will prevail.

To bring this vision about, the Government is committed to creating the necessary conditions for national development. It shall develop consolidated strategies and include them in a specific action programme for the next five years. Hence, this Government shall:

- Develop a Strategic National Development Plan that will update the 2002 plan. Such plan shall be supported by an economic planning mechanism that is tailored to the country's real needs and that will bring together the various plans and projects that have been designed so far without the necessary coordination. In so doing, the Government shall provide an overall development framework that will promote national unity at all levels: economic, social, cultural, political and administrative.

GOVERNMENT'S PROGRAMME GUIDELINES

The guidelines included in this document shall be implemented throughout the current legislature. The moment in time when they will be implemented shall depend on the priorities defined in the National Development Plan and taken over into the State Budget to be submitted to the National Parliament on an annual basis.

Chapter I

Economic growth

1. Agriculture

Agriculture is the main economic activity in Timor-Leste. It can be depicted as subsistence agriculture and it employs family units. The farming techniques used in many parts of the country result in low yields and have a significant environmental impact, namely as a consequence of clean burning, deforestation and soil erosion. The low yields derive from poor and inadequate farming techniques and an unskilled workforce. Moreover, climate and relief also have an impact on agricultural production.

The Government's goals are:

- To move from subsistence agriculture to production agriculture;
- To move from small, dispersed holdings to regional specialization;
- To overcome the recurrent cycle of droughts by building water reservoirs and irrigation channels and thus securing agricultural production and promoting its development;
- To reduce regional imbalances through the rehabilitation of agricultural advisory services, roads and markets.

The Government intends to diversify and intensify agricultural production to develop an internal market and a marketable output, with a view to achieving food self-sufficiency and, in the medium-term, external "market niches".

The Government will do its utmost to coordinate initiatives, both local initiatives and from development partners, with a view to achieving an integrated rural development that includes training and education, research and the use of agricultural resources centres.

Thus, the Government will implement an agricultural and rural development policy aimed at:

- Promoting and training human resources by establishing agricultural training centres at district level;
- Adopting a set of priorities that will value competitiveness, environmental protection, quality and specificity, innovation, multi-purpose nature and diversification of agricultural production;
- Revising and drafting new legislation on farming and forestry;
- Producing and promoting products that may be marketable in regional and international markets;
- Optimizing existing productions of rice, corn, sweet-potatoes, cassava, yams, peanuts, asparagus beans, soya beans and other varieties of beans; horticultural production and cash crops such as coconuts, coffee, sandalwood, etc.
- Optimizing non-forestry productions such as rattan, bamboo and honey;
- Protecting edible plants from pests;
- Extending farming land to abandoned plots;
- Subsidizing the purchase of fertilizers and basic equipment by farmers and promoting the use of organic fertilizers;
- Undertaking phased studies with a view to: i) rehabilitating existing irrigation schemes; ii) building new dams and irrigation infrastructures; iii) enhancing management systems in support of irrigation plans; and iv) promoting the development of mechanized agriculture;
- Promoting the establishment of farmers' and collective irrigation associations;
- Establishing Food Processing Centre;
- Establishing Seed Centres at regional and district level;
- Establishing Food Reserve Centres to overcome humanitarian crises or market failures;
- Promoting the establishment of farmers' cooperatives and financing mechanisms, including micro-credit schemes, especially for women and other groups that are not part of the formal labour market;
- Promoting soil and water conservation to prevent erosion;
- Promoting the conservation of biodiversity and indigenous species;

- Promoting the development of new plants in nurseries and seed treatment centres to propagate and multiply the numbers of coffee, madres cacao, coconut and vanilla plants;
- Providing sustainable and improved services for agricultural development, including improved infrastructures such as roads, transportation, markets, processing and agricultural advisory centres.

2. Fisheries and aquaculture

Timor-Leste has a huge fishing potential but the sector is underdeveloped. The main fishing grounds are to be found along the northern and southern coasts. They provide a diversified range of fish and shellfish, mostly for internal consumption but that often does not reach Timor-Leste's hinterland.

Besides its 700 km-long coast, the country also features freshwater resources that could be used for fish farming purposes.

This Government wants to ensure that communities throughout the country may include fish in their diets by improving the fishing sector, developing fishing resources and managing the overall system in a sustainable way.

The development of small- and medium-sized businesses will generate new jobs and it can be a source of foreign currency for the country, should there be an increase in the export of fish products.

The Government intends to develop this sector by:

- Investing in adequate equipment, infrastructures and technologies and promoting a skilled workforce with a view to exploiting the resources along Timor-Leste's coast;
- Improving technical education in fishing and aquaculture;
- Improving management skills and techniques in the sector through the promotion and establishment of fishing centres and fishermen's associations;
- Providing incentives to such associations duly supported by oversight mechanisms;
- Developing fish industries and fish processing, storage and preservation facilities;
- Developing aquaculture facilities (freshwater, brackish water and marine systems)
- Developing marine research;
- Improving monitoring, assessment and oversight mechanisms in the sector.

3. Animal farming

The livestock sector has a significant potential in Timor-Leste and can contribute to improve the populations' diet.

The Government is mindful that there are cultural and traditional factors associated to animal farming and that certain animal species carry a significant sentimental value and prestige. The Government supports, nevertheless, the development of small- and medium-sized business in this sector (producing meat, milk, butter and cheese) for internal consumption or, in the future, to be exported.

The Government intends to develop the sector by:

- Designing a development policy for animal farming and veterinary surveillance, revising existing and drafting new legislation for the sector, viz. a Law on Quarantine for the import/export of animals and animal products; veterinary laws and regulations covering animal production and slaughterhouses;
- Improving veterinary services;
- Investing in reproduction and vaccination campaigns to increased the numbers of herds;
- Promoting training in animal production and veterinary science;
- Developing pastures and promoting agricultural research and information, thus contribution to

- the eradication of weeds that hamper the health of animals in natural pastures;
- Promoting the establishment of small- and medium-sized businesses in the sector.

4. Natural resources

Timor-Leste is rich in natural and mineral resources, including oil and natural gas. Some of those resources are already being explored. However, most of them remain untapped and could be used for the social and economic development of the country.

This Government advocates a clear policy as regards the use of natural and mineral resources that takes into consideration the country's current situation, gives priority to national actors, generates job and promotes sustainable development through the planning, coordination and harmonization of horizontal policies. Such a policy will be mindful of the need to preserve the environment, manage the natural and mineral resources and improve the living conditions of communities.

Only a Strategic National Development Plan can guide the controlled and efficient use of the revenue from such resources and provide a safe framework for investments aimed at generating additional revenue. Transparency in the management of those processes is essential, and such transparency can only exist if the subject of natural resources is not confined exclusively to those in the Government and in power.

Implementing a non-partisan system for this sector shall be a priority, both in the agencies that deal with the sector and in the oversight mechanisms, where technical and professional knowledge shall be the key criteria.

The Government is committed to managing the natural resources in a sustainable way and to develop a macro-economic framework that will protect the interests of this generation and safeguard the interests of future generations. The Government shall define immediate priorities in its National Development Plan and shall also set a time schedule and specify limits to savings. The Government shall disclose a clear plan for the investment of the revenue from the natural and mineral resources with a view to generating additional revenue and promoting the irreversible economic growth of Timor-Leste.

With that goal in mind, the Government shall prioritize the following:

- Establishing an integrated programme for the development of human resources in this sector. This will include the provision of scholarships and the establishment of a Geology and Petroleum Institute in close cooperation with the National University;
- Undertaking a reform of the sector in cooperation with the authorities in the sector and under the coordination of the Secretariat of State for Natural Resources; such reform will include changes to the technical and managerial staff currently working in the sector;
- Promoting the adoption of laws and regulations tailored to the country's needs;
- Designing policies and establishing national sustainable management mechanisms that will allow for an effective oversight, regulation and control of the sector by the Government;
- Regulating activities in this sector and establishing international agreements that will generate jobs for the Timorese;
- Promoting and attracting investments in the oil industry in Timor-Leste with a view to bringing the pipeline to the national territory;
- Promoting environmental protection policies as regards the exploration of mineral resources;
- Formulating a national energy security in cooperation with the Secretariat of State for Energy Policy;
- Establishing a National Oil Company;
- Undertaking geological surveys and mappings all over the territory with a view to producing a new geological map of the country and the first inventory of its onshore mineral and oil resources;

- Creating mechanisms to gradually separate the oil sector from political issues;
- Promoting transparency and high standards in the sector through a “Transparency Initiative by the IV Constitutional” to be named “Transparency Model Timor-Leste”;
- Establishing a “Commission on Non-Renewable Natural Resources” with members appointed by the five largest parties; this shall be an autonomous commission that will operate in an advisory capacity, submitting recommendations to the organs of sovereignty;
- Implementing a policy aimed at keeping communities informed about the developments in the sector bearing in mind its strategic importance for national development.

5. Energy policy

The development of Timorese society cannot be uncoupled from the exploration and use of energy from various sources, both in quantitative and qualitative terms.

A clear energy policy is therefore of paramount importance. Such a policy must reconcile the various interests in the market and adopt a competitive and environment-friendly approach while avoiding the pitfalls of deregulated industrialization.

The energy sector is one of the most complex sectors of Timor-Leste’s economy and one that affects the whole population. Although the country possesses great wealth in terms of energy resources and alternative energy sources, it is still totally dependent on external sources, namely on the import of gas and fuel for domestic consumption.

Infrastructures to supply power are almost non-existent in Timor-Leste, resulting in inadequate provision of power to communities. The implementation of a global, coherent and phased plan will contribute to generalize power supply to the whole territory. This will have a significant impact on the living conditions of communities and will promote industrial investments and growth, which in turn are potential sources of jobs and revenue for the State.

In the short-term, this Government is committed to:

- Assessing all the projects and studies undertaken so far concerning hydro power plants, biomass, biogas, natural gas and Timor Sea oil with a view to developing the exploration and use of such energy sources for power generation and other domestic uses; special attention will be given to Gas Seep Aliambata; the hydro power plants in Ira Lalaro, Ainaro and Maununo; as well as to biomass projects;
- Devising control and oversight mechanisms and well as a regulatory framework for such projects, whether already in existence or still to be implemented;
- Drafting legislation that will regulate and bring coherence to the research, exploration and production of energy from renewable and non-renewable energy sources;
- Stepping-up the energy scheme in Ira Lalaro;
- Supervising activities related to biomass and the small hydro power plant in Gariwai;
- Setting up a power supply network in Oe-Cusse Ambeno based on alternative energy sources.

The guidelines of this Government’s energy policy are based on the search for alternative renewable energy sources to secure the necessary energy for domestic and industrial use and with the protection of the environment in mind. The Government shall pursue the following objectives:

- Reducing energy dependency and minimizing energy imports through the use of alternative and renewable energy sources such as hydro power, biomass, biogas, solar energy, turbines, wind turbines and the chemical energy stored in plants and microorganisms that potentially exist in large quantities in the country;
- Promoting multi-purpose hydro-electric schemes to generate energy and for water storage and irrigation;
- Regulating the use of alternative or renewable energy sources thus contributing to the

standardization and integration of different projects currently being implemented in Timor-Leste;

- Supplying energy to communities in remote areas;
- Safeguarding the country's energy wealth for future generations by defining and preserving "mandatory energy reserves" both from renewable and non-renewable sources;
- Drafting appropriate regulations so that national operators may play a relevant role in the exploration of Timor-Leste's energy resources;
- Developing balanced safety standards to ensure the continuous exploration, production and supply of energy resources;
- Developing training programmes for both operators and consumers, and promoting the use of more environment-friendly energy sources;
- Adapting the investment programmes of electric grid operators with a view to connecting decentralized energy production to a national grid.

In order to promote national competitiveness, the Government is committed to creating the adequate conditions to supply the market; liberalizing it (by improving services, promoting the establishment of cooperatives and privatizing the sector); undertaking studies on power generation for the national and international markets; and creating mechanisms to attract foreign investment.

6. Trade, industry, private sector and services

Trade, the manufacturing industries, the development of the private sector and the promotion of foreign investment, together with the development of the services that can provide financial support and protection to investors will be the main drivers of economic growth in Timor-Leste.

The Government is deeply committed to developing these sectors which are of paramount importance in reducing poverty and fighting unemployment, thus contributing unequivocally to the country's social and political stability.

A transversal measure to be adopted for this sector that is aimed at stimulating the country's economy shall be the establishment of training and capacity-building schemes. This will include financial support in the form of minimal interest loans underpinned by monitoring and oversight mechanisms, to allow young and long-term unemployed to start their own businesses. This measure should also contribute to fight unemployment.

6.1 Trade

Internal trade is an important source for the generation of wealth. It hasn't so far benefited from adequate measures to promote the national capabilities of Timorese wholesalers and retailers and to revert the current situation where small foreign traders and shop keepers control the market in Timor-Leste.

Foreign trade is currently limited to the export of a few goods, mostly agricultural produce. The almost non-existence of transforming industries means that exported goods are not manufactured or processed and that no national manpower is employed in such activities.

The Government is committed to:

- Promoting the training of national wholesalers and retailers to improve their financial and managerial skills;
- Regulating trade by imposing respect for rules, promoting a healthy competitive market with a view to eliminating speculative practices and protecting the vast majority of the population whose purchasing power is still very limited;
- Drafting legislation on foreign trade, especially as regards customs duties, with a view to reducing the discretionary powers of the administration to impose certain trade restrictions;

- Promoting an increase in exports associated to the development of agriculture, animal production and fisheries and the trade of goods from these sectors;
- Identifying trading partners, especially amongst neighbouring countries viz. Australia and the ASEAN countries.

6.2 Industry

The industrial fabric of Timor-Leste is limited to a few rudimentary industries that cater exclusively for the internal market: local crafts industries, mainly hand loom weaving, wood carving and etching, carpentry and joinery, ceramics, small rice mills and coffee processing plants and extractive industries such as rudimentary salt extraction.

The country's industrialization potential in the short-term remains limited, bearing in mind the lack of a skilled workforce, the high cost of living and relatively low wages, as well as an inadequate transport network that might enable the development of large industries.

The best option seems to be the promotion of foreign investment. The Government shall also foster the development of small industries and help them modernize so as to be able to respond to internal demand. It shall promote incentive systems with a view to helping them reach out to external markets in the future.

The Government will undertake to:

- Drafting regulations aimed at promoting Timorese industries, combating the proliferation of manufacturing units headed by foreign entrepreneurs and ensuring that industries producing essential goods for the development of the country such as building materials, kitchen utensils, clothing, food industries and wood processing are led by national investors;
- Promoting imports-substitution policies bearing in mind comparative advantages for the development of national industries and local job creation, especially in rural areas. Whenever possible, such policies shall be based on local resources and goods resulting from agricultural production, fisheries or extractive industries;
- Supporting the development of small- and medium-sized businesses in rural areas as potential catalysts for technological innovation.

6.3 Private sector, SMEs and cooperatives

The private sector is a key partner in national development for it generates wealth and self-sustained jobs outside the sphere of State activities, producing revenue that can finance the self-sustained growth of the country's economy.

The Government is committed to providing all the necessary support to the establishment of small- and medium-sized companies, not only to acknowledge and elevate the status of national goods, but also as an incentive to productive activities and the generation of jobs in the communities. The Government also undertakes to support the development of cooperatives and to help small individual producers overcome their difficulties.

The private sector requires special attention and should receive additional support from the State based on criteria of competence, projects' worth, professional honesty and technical capability. The Government shall fight political cronyism which hampers the nation-building process.

Foreign direct investment shall be another driver for economic development and job-creation, especially among youths. It is therefore essential the investors are made aware of investment opportunities in Timor-Leste and that their investments are in the national interest and benefit the population as a whole and not just a small group of people.

During this legislature, the Government shall be committed to:

- Developing a “Specialized Investment Agency” as a fundamental pre-requisite to the development of the abovementioned activities. The agency shall be more autonomous from political power, thus ensuring greater transparency, correcting the favouritism that has benefited the political elites and improving the country’s overall image. The agency shall promote an active economic diplomacy.
- Revising the Law on Investments to turn it into an instrument for attracting foreign investment;
- Designing mechanisms that will provide legal certainty to those doing business in the country;
- Defining a legal framework for land, property and other assets subject to registration;
- Urgently adopting a Law on Land and Property and developing mechanisms to register one’s claims to the land, so that potential investors will not hesitate to channel their resources to Timor-Leste for fear of leasing land that may later be claimed by someone else or subject to an illegal occupation;
- Providing more effective institutional support to investors, streamlining procedures, and establishing financing and incentive mechanisms to support national companies and help them become competitive;
- Establishing partnerships with the private sector with a view to creating jobs;
- Designing a simplified tax system, abolishing double taxation (of wages and of the income of natural persons) and replacing it with a single tax at a lower rate that is socially fairer, with tax exemptions for small- and medium-sized incomes and wages;
- Reducing the tax burden to about half its current size to better serve the interest of the country while being socially just;
- Revising and streamlining registration and licensing procedures for movements/transactions with other countries.

The Government shall promote the establishment of cooperatives throughout the country. In the short-term, the Government undertakes:

- To revise the legislation on cooperatives;
- To re-assess the role of cooperatives to ensure that they can operate smoothly and become significant economic actors;
- To facilitate and support the cooperative sector;
- To establish agencies to support cooperatives and small- and medium-sized businesses.

6.4 Services – banks and insurance companies

The development of a national banking and insurance sector is increasingly an imperative in sovereign countries. The Government shall undertake studies aimed at establishing such institutions and shall look into the possibility of using the State itself to drive the sector forward by participating in such ventures with public capital.

The Government is mindful that the licensing, regulation and supervision of commercial banks, insurance companies and insurance brokers is a competence that lies with the Banking and Payment Authority of Timor-Leste (the future central bank). Therefore, it will be necessary to first revise the existing legislation on these matters and to urgently adopt the Statutes of the Central Bank of Timor-Leste.

Against this backdrop, the Government intends to implement the following measures with a view to developing the abovementioned services:

- To revise the existing laws and regulations on insurance companies and related entities with a view to encouraging the setting up of such businesses; and issuing the necessary licenses and permits for this is a key sector to attract foreign investment;
- To develop micro-credit institutions by promoting relevant regulations and adequate

supervision and control mechanisms;

- To create a National Development Bank, made up mostly of public capitals, as a financial instrument to support a Sustained Economic Development Model for Timor-Leste.

7. Tourism

Since Timor-Leste is a country with immense tourist attractions, particularly its beaches and mountains, it is reasonable to expect that it will become one of the probable destinations for tourists from all over the world. Tourism development is an important factor for the economic development of the country not only because of the revenues it generates, including labor absorption, but also because of the development associated thereto: restaurants, hotels, entertainment, the Dili and Baucau airports, transports, as well as other, varied infrastructures.

We shall develop a tourism promotion policy that will entail the following:

- Render the National Tourism Strategic Plan operational as the main instrument in the design and execution of the national policies for the tourism sector;
- Encourage the development of specific legislation to render the tourism sector dynamic;
- Create protected areas particularly reserved for tourism;
- Create a National Tourism Centre with branches in the thirteen districts;
- Start a national tourism development contest, thereby promoting free enterprise;
- Promote national, regional, and international tourism exhibitions/fairs;
- Promote the development of national products for the tourism market;
- Promote training activities in the area of tourism for capacity building in this area;
- Protect marine life, particularly coral reefs, so as to prevent their destruction and turn them into centers of tourism attraction in the future;
- Capitalize the unexplored character of Timor-Leste, by focusing attention on ecotourism;
- Expand tourism industry in close collaboration with the local communities to ensure that the Timorese become partners and beneficiaries in this process;
- Promote internal tourism so that the Timorese themselves can benefit from the activities prompted by tourism development by enabling them to enjoy from a recreational and cultural environment, thereby strengthening national identity.
- Promote exchange of information among the several tourism agencies at the community level with a view to sharing experiences and good practices and ensuring that tourism assumes a national dimension in Timor-Leste;
- Promote foreign investment in the tourism area while ensuring that the respective job opportunities are fulfilled by Timorese nationals and that there is transfer of know-how to the Timorese.

Chapter II

Reforming the management of the State

Before bold policy measures enabling poverty reduction and the socio-economic development of the country can be applied, there is a need for the State itself to undergo a radical transformation that removes the centralist, heavy, and inefficient party factiousness existing in the Public Administration that undermines the mentalities.

It is the duty of this Government, which took on the political commitment of not tolerating personal interests and favouritisms, to monitor the members of the Government so that they can never place their individual interests above the collective interests and to promote an environment of accountability and integrity within the Council of Ministers so that it becomes a role model to be emulated by all public agents.

The first measure to ensure integrity and transparency in the conduct of the members of the

Government consists in the availability demonstrated by all members of the Government to submit a statement of all their assets, which shall be deposited with the Court of Appeals and shall be the subject of verification at the end of their mandate. This is clearly a political commitment on the part of the Members of Government showing that they are committed to good-governance where high standards and the truth of the facts reign supreme.

Recovery of confidence in the future is associated to the prestige of the democratic institutions and the dignification of the latter in the eyes of the Timorese demands credibility in the political system, which in turn requires the introduction of reforms in its structures and in the respective mode of conduct.

To that end, the Government shall prioritize the following actions:

Fighting corruption within the Government and the Public Administration;

Implementing the principle of Good Governance by encouraging the participation of the people in the process of taking political decisions;

Establishing mechanisms of transparency in the process of taking political decisions;

Establishing legislation on mechanisms of consultation with the communities and civil society;

Activating an effective social communication and dissemination system that enables the population to be informed of the political decisions made by their representatives;

Revising the legislation on Public Tenders and implementing a culture of transparency;

Revising and improving the system for recruiting civil servants;

Establishing conditions for the dignification of the civil servants through the promotion of equity among them. In this context, studies will be undertaken to evaluate the possibility of granting isolation allowances taking into account that the difficult living conditions existing in certain parts of the country and the costs associated to transport and purchase of materials generate situations of inequality among civil servants. In so doing, the State will also be helping overcome reservations put forward by some civil servants when it comes to working in the hinterland.

In order to be able to operate reforms, there is a need to approach all aspects deemed relevant to Public Administration and to prepare a concerted operation plan that produces substantive improvements. To that end, the Government will undertake a survey of the existing framework in order to implement reforming actions that take into account the functions of the Administration, its structure, administrative organization, personnel (management, representation, global volume, professional up-grading, statute and career, salaries and allowances), facilities and equipment, working methods, relations with the public, teaching in the administrative area, as well as the (juridical and non-juridical) control system of the Administration activities.

It is also worth underlining that the Government will dedicate itself to reforming all entities comprising the Public Administration, which includes institutes, public associations and companies, State services abroad, civil administration, justice, the police, and the military.

The intention of the Government is for this Reform to contribute not only for keeping the social order and ensuring the essential public services, but also, and more importantly, for ensuring an administration that is capable of guiding and boosting its economic and social progress.

Furthermore, Public Administration Reform will enable the development of the following principles:

The Principle of Cutting Red Tape, having in mind a greater organization and functionality, thereby

promoting efficiency and facilitating the lives of the citizens;

The Principle of Bringing Public Services Closer to the Population, including in the most remote areas of the country. Public Services are to be structured in such a way as to locate them as close to the target population as possible not only in physical terms but also in the psychological and humane dimension by multiplying the contacts with the population and listening to their problems, their proposals and complaints, with a view to meeting the aspirations of the people and not the interests of the political power;

The Principle of Participation of all the interested parties, particularly the representatives of civil society, in the management of Public Administration, meaning that they should be called to intervene in the very functioning of public administration and, to the extent possible, in the process of taking administrative decisions;

The Principle of Decentralization in accordance with the Constitution. Public Administration is to be decentralized and, for this reason, measures will be taken against centralizing measures;

The Principle of Deconcentration, meaning that Public Administration will become more and more decentralized in its competencies.

1. Public Administration

Public Service constitutes the foundation of the management of the State. The Government will take all measures deemed necessary to render Public Service a professional and efficient apparatus of the State that is capable of corresponding to the emerging demands resulting from the ever-increasing operational capacity of the State.

To that end, there shall have to be a revision of the existing legislation and the establishment of statutes providing for the legal framework needed to introduce the reforms. If, on the one hand, the Government demands the Public Service to be professional and efficient, the Government must, on the other hand, create the necessary conditions enabling civil servants to perform their functions with the necessary dignity.

The salary table shall have to be reviewed to include salary margins that take into account the relevant experience acquired over the years of service, encourage the continued training in the respective working areas, encourage the healthy competition, and create promotion opportunities based on merit and experience.

The Government shall present a Retirement Fund for Public Service and enable that civil servants contribute directly to such Fund. It will create a legislative framework to ensure access to such Fund for the benefit of the workers and their relatives. The Government shall also contribute towards the Fund, ensuring a scheme of social security for all workers.

Public Service Commission

As a form to fight party factionousness in the Public Service, a Commission will be established, to be composed of qualified members to be selected in accordance with a Law to be created, and with technical competence and integrity to contribute to the reform of Public Service.

The Public Service Commission shall supervise all the capacity-building process of the civil servants, including their professionalization, deontology and code of conduct, career development, and promotion based on objective criteria of merit and competence.

The statutes to be adopted by the Council of Ministers and/or the National Parliament shall form the working basis of such Commission, which shall also have the following functions:

Provide political advice to the Government on issues relating to development and management of human resources, efficiency, and efficacy of public service;

Define policies, strategies, and standards for the administrative reform of the public service;

Analyze the functions of the civil servants;

Establish criteria and standards relating to professionalism and de-politicization of the public service in order to facilitate the process of evaluation of Public Managers;

Adopt resolutions and settle problems relating to disputes and the discipline of civil servants;

Promote and ensure the observance of the code of conduct of civil servants;

Coordinate and implement training programmes for civil servants;

Provide orientation to General Directors (Permanent Secretaries), including Directors and Heads of Department on civil servant management and development methods in relation with good practices within a good system of services;

Ensure the observance of responsibilities related with the administration of the Public Service Law.

Harmonization and applicability of the Legislative Statutes

As a complementary measure to this reform, the Government shall establish a Legal Support Unit within the Secretariat of State of the Council of Ministers to provide direct support to the Presidency of the Council of Ministers and to the Government as a whole.

Such reinforcement in terms of legal support concentrated within the Secretariat of State of the Council of Ministers will not be in detriment of the need for each Ministry to have its own advisers for the respective day-to-day political and administrative management. The objective will be to stimulate a greater coordination and interaction among all jurists working under the umbrella of the Government, resulting in a set of harmonized, streamlined, and easier-to-apply laws.

2. Administrative Organization of the Territory

According to the Constitution of the Democratic Republic of Timor-Leste, the central Government should be represented at the different administrative levels of the country and, on matters of territorial organization, the State shall respect the principle of decentralization of public administration.

During its mandate, the Government will continue to implement the projects already developed in the framework of the promotion of a Policy of Decentralization and Local Government. To that end, the Government shall:

Develop studies as well as implement an adequate territorial division and territorial planning;

Create essential legislative statutes on this matter;

Resume the studies of the various options for Local Government;

Deepen the programmes already initiated for Local Development;

Study the previous Government resolutions on decentralization and Local Government Policy, building on the lessons learned from pilot-projects already implemented and analyzing the results of the Local Development Fund, as well as reinstating the Secretariat for Development in order to develop the Strategic Framework for Decentralization.

3. Public Finances

Public Finances are a necessary condition for economic development. Therefore, it is fundamental that there is a transparent, rigorous, and genuine management of public accounts.

Transparency and rigour in the expenditures constitute the only way of guaranteeing sustainability of public accounts in the long term and of ensuring a competitive economy and lending credibility to the State before the people and the international community.

This Government is of the opinion that Public Finances should be at the service of human development and poverty reduction and, to that end, it proposes the following:

Transparency in Public Finances:

Through the publication, on a quarterly basis, of the Timor-Leste's budget execution to provide information on the budget execution on the basis of the budget allocations and the payments made:

Improvement of the follow-up and control of the autonomous organisms and the State enterprise sector and publication of the financial statements;

Development of the budget information system in order to clarify public expenditures by funding source, by structure of sectoral expenditures per area, and by classification of expenditures in accordance with the criteria and methodology approved by the IMF;

Streamlining the Budget Execution Process:

- The establishment of clear, transparent, and responsible norms for decentralizing State Budget execution at the level of Ministries, Secretariats of State, and autonomous organs;
- The development of studies to enable the services to be autonomous and the implementation of the necessary financial and programmatic control;
- The implementation of regional delegations of the Ministry of Finance to manage, follow-up, and facilitate the execution of the State Budget in the respective area of operation;
- The definition of a policy of support to non-governmental organizations based on a cost-benefit analysis of the submitted projects.

Public Investment

- The preparation of a strategic investment Plan with clearly defined goals insofar as the sustainable and balanced economic development of Timor-Leste is concerned;
- Short term increase in public investment, with priority to basic infrastructural projects leading to: the improvement of the living conditions of the population, increase and qualification of employment, the establishment of conditions for the development of free enterprise. Public investment is a priority, particularly in terms of drinking water supply and electricity, basic sanitation services, health system, education, and transport;
- Gearing medium term public expenditure capital towards the maintenance of the existing stock capital and the complement of the private investment in the sectors with a strategic economic interest for the country (transactable goods, tourism, etc);
- The establishment in the territory of an integrated and balanced system of assistance and incentives to private investment (both national and foreign investment).

Fiscal Policy

- Replacement of the discretionary system of granting fiscal incentives with a significant reduction of the base taxes of the income taxes;
- Preparation of a study and plan of a simplified fiscal system that favours the poor, encourages

the private sector and foreign investment, and creates jobs;

- Coordination of actions with other public institutions granting assistance or issuing licenses in order to improve the monitoring capability of the fiscal administration;
- The establishment of a system of incentives in order to integrate small businesses into the formal economy system;
- Capacity-building for the technicians of the fiscal administration on their functions of monitoring and control of the tax-payers;
- Monitoring of the potential disturbing tensions of the socio-economic balance through the use and development of the macro-economic model to produce scenarios likely to anticipate trends, so that recommendations of a corrective nature can be made in due time.

Extraordinary Funds (Oil and External Funding)

- Allocate a percentage of the amounts transferred to the Oil Fund to the State Budget for undertaking government studies on relieving situations of extreme poverty or for complementing NGO projects to fight poverty, considering that poverty is defined as “the impossibility due to incapacity or due to lack of opportunity for individuals, families and communities to have access to minimum conditions in accordance with the basic norms of society”;
- Definition of rules that facilitate the use of the amounts transferred from the Oil Fund and, based on the national priorities, channel most of the funds: in a first phase, towards the establishment of the basic infrastructures and, after this, towards the maintenance of the stock of existing capital and for the funding of projects with potential to generate revenues;
- Capacity-building for the technicians of the Ministry of Finance on their functions of evaluating and monitoring investment projects.

The Central Bank

- Establishing the Organic Law of the Central Bank and other pertinent legislation;
- Implementing mechanisms enabling the Central Bank to develop itself as a solid, credible, and efficient institution;
- Undertake studies on the development of a national currency.

4. Fighting Corruption

This Government is intent to establish a High Authority for Good Governance with real intervention powers so that a culture of integrity, zeal, and professionalism in the Public Administration can be created.

The measures that will be adopted by this Government are the following:

- To ratify the Anti-Corruption Convention through a proposal of a Resolution to be submitted to the National Parliament, and to prepare directives for the implementation of said Convention;
- To readjust the Organic Law of the Office of the Inspector-General of the State;
- To establish an Office of Inspection in all Ministries;
- To undertake international audits;
- To undertake audits to former holders of public offices on their assets;
- To establish mechanisms of cooperation between the Ombudsman for Human Rights and Justice and the Prosecutor-General;
- To train technicians to enable them undertake evaluations and monitor corruption;
- To establish deconcentrated delegations at the districts to monitor the implementation of the State services;
- To accelerate the process for the creation of the Audit Court in accordance with the Constitution of the Democratic Republic of Timor-Leste;
- To criminalize actions of corruption with effective penalties;

- To develop national institutions for preventing corruption practices;
- To create codes of ethics and conduct for all civil servants with the latter signing a contract/commitment of “no Corruption”.

Chapter III

Qualification of Youth and Development of National Human Resources

Youth: Force and Future of the Nation

With most of its population being young (the age group of less than 15 years represents approximately 45% of the total population), Timor-Leste finds its present and future force in its youth.

Seen as a transitional social condition, youth presents itself as a privileged segment of intervention of the State, for it constitutes itself as an interface in a perspective of transmission of knowledge and experiences, anticipating, on the one hand, modernization, and, on the other hand, preserving and consolidating the fundamental values of the Timorese Nation.

The State is entrusted with a primordial role in equating the needs and aspirations, and in maximising the potential, of the youth as particularly active actors and as privileged target of development. It is therefore incumbent upon the State, in conjunction with the different actors and partners at the local, regional, national – inside and outside of the country – and international levels to guarantee the active involvement of the youth in all sectors of activity as a form of promoting the assumption, by the youth, of their responsibilities in their capacity as the principal protagonists of their own future.

Placing Youth at the Centre of the Attention of Public Policies

The youth constitutes the principal human resource of the country, the guarantors of the Timorese Nation and the driving force of the struggle against poverty towards the sustainable development of Timor-Leste.

In this perspective, the Government shall gear its actions towards the elimination, in a firm, progressive, and sustainable manner, of the most serious problems affecting the Timorese youth.

To that end, the Government shall implement a Policy guided towards the Youth, which will be simultaneously comprehensive and coherent, transversal (since it is a multi-sectoral) and pragmatic, advocating a modus operandi that introduces profound qualitative as well as quantitative changes in fundamental domains for the well-being and the future of the youth, such as the problematic of Education, Training and Employment; Arts and Culture; Sports and Occupation of Leisure Times.

As a transversal sector, the youth will constitute a permanent concern of the several governmental sectors.

In order to facilitate the human and social qualification of the youth, the Government makes itself available from now on to:

- Propose specific alternatives in terms of training and professional qualification as a way to access employment;
- Suggest alternatives to broaden and improve the social action system (scholarships, students house, transport facilities), as a form of participation in the struggle against school failure and as an incentive for students to continue their studies;
- Promote the widespread use of the new information technologies among the youth;
- Promote the implementation of practical measures for reintegrating youths at risk and prevent juvenile delinquency;
- Promote the formation of associations as a means for socialisation and democratic learning, thus

- contributing to a real participation in the decision-making process of the country;
- Provide financial incentives as well as technical, material and logistic assistance to activities developed by youth groups and associations on the basis of pre-defined objective criteria;
- Promote and execute, throughout the national territory and in articulation with youth associations, the local government, and religious institutions, programmes aimed at occupying leisure-times;
- Increment programmes of local exchange, both at national and international level, involving youth associations and groups, particularly with Timorese residing in the diaspora, and with the Community of Portuguese-Speaking Countries;
- Promote voluntary service among youths, giving priority to basic sanitation areas, preservation of environment and cultural heritage, and construction of cultural and recreational infrastructures (Community Centres);
- Encourage fair-play, particularly through the organization of sports activities, exhibitions by youth artists, at the national and international level, and the establishment of prizes based on merit.

1. Education

Education policies implemented in Timor-Leste from independence to this date have featured major actions intended to improve and transform the educational system inherited from the 24 years of Indonesian occupation.

With the indispensable foreign aid support, namely the Portuguese Assistance to Development, visible efforts have been made in education in Portuguese language which, along with Tetum, constitutes one of the two official languages of the country.

From remote times, the Catholic Church in Timor-Leste has been the principal partner in assuming responsibilities insofar as education is concerned, and it has reached locations where no other educational structure has ever been established.

The multilateral aid from other partners has also contributed to significant developments during these years, translated in the global heightening of the level of schooling of the Timorese population.

However, certain dysfunctions, constraints, and lacunae continue to persist and/or emerge, such as:

- The inexistence of clear and consistent policies and practices in the domain of early childhood and pre-school;
- Serious local and social asymmetries in the access to education, in terms of coverage and quality of the compulsory education, with particular incidence in the rural areas;
- A degraded school network with manifest damage for the compulsory education, with geographical distortions, sanitation problems as well as problems of inadequacy to the pedagogical objectives (lack of school yards for sports, physical education, technological education, etc.);
- Deficiency and insufficiency of mechanisms, facilities and structures for follow up and supervision of the educational system;
- Persistence of a distorted and disqualified social perception of technical education;
- Deficient implementation of the technical education and lack of articulation with the professional training system;
- Insufficiency of qualified human resources for teaching and management, planning, and supervision functions of the educational system;
- Inadequate decentralization of regional education services with responsibilities for management, teacher training, libraries/resources centres, budgetary matters and school inspections, in close coordination with the national policy for educational development;
- Lack of a clear policy on the role of the teaching language as a primordial factor for national unity;

- Lack of a Basic Law on the education system and other subsequent legislation to regulate the basic, secondary and tertiary education systems;
- Lack of facilities and residential conditions for teachers in the rural areas;
- Lack of a policy of training of teachers that guides all the training process in a perspective of continuous training for the teachers.

In this connection, the Government undertakes itself to developing programmes aimed at improving the quality and equity of education by adopting the following guiding principles:

- The principle of quality, by placing the emphasis on the learning process and on the results;
- The principle of equity, implying a major institutional sensitivity for the local and social differences in access to education, and giving a special attention to the most disadvantaged regions and social groups;
- The principle of social and economic pertinence, meaning a permanent search for social and economic gains for Timor-Leste and for the Timorese;
- The principle of co-participation of the families in the management and decision-making process;
- The principle of social partnership, through the support to private initiatives at all levels of the education system, including the tertiary education level, with a view to planning and coordinating the educational policy.

Without ever substituting or limiting the intervention of the State as the promoter of education, the Government considers to be indispensable the role to be played by other partners, particularly the Church and NGOs, in promoting private education as an alternative to public education.

In order to enable the modernization of the system, based on the above-mentioned principles, there is a need to develop studies, evaluate programmatic options, and develop alternative scenarios that enable the launching of the bases for a Human Resources Development National Program through permanent dialogue with society and with the different social actors, avoiding the lack of coordination of the interventions and advocating clear guidelines for making uniform the educational programmes disseminated in a national language that constitutes a vector of unity for all the Timorese.

The Government shall establish infrastructures as well as the necessary conditions to train the teaching and non-teaching staff of the schools, thereby preparing them for this hard task of educating.

Basic Education

In addition to consolidating the innovations introduced into this level of education, the efforts of the Government shall be geared towards the improvement of the teaching quality, the reduction of geographical and social asymmetries in the access to education, and also in contemplating, in an integral manner, the development of attitudes, values, behaviors, capabilities, skills, in addition to the acquisition of knowledge and techniques.

The central objective being pursued is to promote and increment quality. In addition to this strategic objective, the Government plans the following:

- To re-equate the problematic of the official teaching language and of the teaching of other languages, including the national languages, English and/or Indonesia, as working languages;
- To improve and strengthen the school network through preventive maintenance actions and rehabilitation of the schools using material adapted to the pedagogical project;
- To strengthen the policy of greater retention (reduction of school absenteeism) and promote basic education, which should be free of charge for all children;
- To establish institutional, pedagogical, and academic conditions favoring the emergence of

qualified personnel for management, pedagogical coordination, and applied research at the basic education level. This measure will require the establishment of a system of incentives (promotions, training, payments), which will contribute to reducing absenteeism, violence in school, or discriminatory behaviors based on gender, ethnicity, or social class;

- Concomitantly, feasibility studies will be undertaken and efforts will be made to gradually expand mandatory schooling while observing parameters of quality, equity, and financial sustainability.

Secondary Education

The trend to universalize basic education prompted the growth of secondary education, the fundamental objective of which is only to further the studies.

It is considered that, in this level of education, special attention should be given to acquiring learning techniques (learning by learning), allied to a solid base in languages, technologies, and science, having in mind a quality general education and a common curricular standard.

The Government also undertakes itself to establishing the conditions for a better articulation between General Secondary Education, Technical Education, and Vocational Training.

Programmes of complementary and professionalizing training shall be implemented in close collaboration with the professional training system and in partnership with the entrepreneurial world.

Socio-educative support

An effective democracy in the educational system that guarantees a real equality of opportunities in terms of school access and success requires the introduction of measures that compensate the degraded socio-economic situation of the families of many school-age children.

Inserting itself in a policy of generalizing basic education and strengthening pre-school education, the social action aims at improving the quality of the educational system, augmenting the learning capacity of the students, and contributing towards the equality of opportunities in terms of access and success of the most needy pupils.

The school social action services translates into a diversified set of actions, such as the co-participation in meals, canteen services, transports, school manuals and materials, granting of scholarships, and school health programme for the poorest pupils.

The execution of a programme to reinforce the mechanisms of school social action should consider the valorization of financial allocations to strengthen the action of the Church and NGOs so that they can attend to the established priorities.

The current criteria for granting scholarships shall also be reevaluated and, for the next two years, the Government undertakes itself to finding a solution to this problem.

To study the possibility of completely exempting the pupils from paying fees at Universities and schools in order to fight school drop out rates.

Tertiary Education

Nowadays, more than ever before, science and its applications, including humanities and applied research, require a quality tertiary education inserted in international universities networks and other knowledge-producing spaces.

Tertiary education strategic planning in a developmental perspective presupposes a thorough and rigorous survey of the needs of the country in terms of human resources.

There are many Universities in Dili, although there is still a need to establish a set of conditions of a pedagogical and legal-institutional nature, as well as a need for highly qualified staff, to enable their regular functioning and ensure a quality university education.

The Universidade Nacional de Timor-Leste (Timor-Leste National University) should constitute the vertebral column of a coherent system of production and dissemination of scientific and technological knowledge that must be put at the service of the productive sector and the development of the country.

This Government undertakes itself to thoroughly assess and create mechanisms for controlling the proliferation of private universities that do not guarantee the desirable quality and that is very expensive for the families, creating false expectations of employment among the youth.

As regards tertiary education abroad, the Government intends to assess the academic results and the quality of life of the students abroad, as well as the manner in which their studies are organized and financed, in order to define and negotiate new agreements with hosting universities and optimize the cost/effectiveness expectations.

Generalize education of children and the youth at the communities in a progressive manner

Promote good-practices learning clubs – Community Centers – at the suco level on issues of environment, public health and hygiene, as well as other initiatives on citizenship matters, in articulation with the educational system supported by telecommunications,

Basic Education for Adults: Social capitalization of those excluded from the formal system

The extra-curricular sub-system refers to the basic education for adults with major incidence on the 15-35 age group. Above all, the Basic Education for Adults will constitute a contribution to make basic education universal, articulating the contents of the school education with professional training and community animation.

2. Vocational Training and Employment

The improvement of the living conditions must constitute a permanent objective of any government minimally concerned with the well-being of the populations, something that cannot be obtained without a substantial reduction of the unemployment rates.

In our country, such serious social phenomenon takes on a profoundly structural character and cannot be fought by undertaking punctual actions. On the contrary, a lasting solution to the problem of unemployment requires necessarily an economic growth conducive to job creation and increment of national production.

This being the case, the objective “employment” is an objective transversally assumed by the Government, since it presupposes a concerted action of the macro-economic policies as well as of the sectoral and regional development policies, including the education and training policies. Productive investment growth, essentially private investment, is the real spring that may contribute to unblock the problem of unemployment.

If appropriately implemented, vocational training may contribute to reduce unemployment, since it is no secret for anybody that, in parallel with massive unemployment, there is lack of professionals in several important areas needed for the development of the country. And, although some efforts have been made in this domain, such efforts are disperse and not guided by an up-dated training on the effective needs of the market at present and in the future.

Training for employment is surely one of the actions to receive a particular attention: Training to ensure a better attunement to the existing working posts or the posts to be created, but also training for

self-employment and promotion of micro enterprises.

As one of the elements of the policy of valuing human resources, the development of an integrated system of vocational training and its articulation and coordination with the labor market constitutes a fundamental and critical axis. The balance between offers for training and the market demand will certainly lead to a better and more efficient utilization of the training resources of the country.

The Government recommends the progressive construction of a training system capable of generating a logic of training along the life and of contributing to the vocational and cultural development of the population. We shall fight the proliferation of private universities lacking in quality teaching standards. Alternatively, we shall invest in an Oriented Vocational Training that actually provides the youth with the necessary skills.

Thus, the following are measures that complement other measures included in the Government's Programme:

- Encourage vocational training for self-employment and promote programmes that ensure employment for disadvantaged groups in the labor market both for recently graduated youth and for the long standing unemployed and women;
- Promote more effective partnerships among information users and makers, which requires the improvement of the services provided by the Administration to the citizen, and establish and develop an improved information system on labor market and employment;
- Evaluate the existing training supply, close down institutions (Training Centres) that do not comply with the objective for which they have been created, and prepare a plan to define standards of competence and certification, in collaboration with the development partners and, more concretely, with ILO, in its capacity as a specialized agency in this domain;
- Improve the quality of the vocational training centres and increase vocational training activities more adjusted to the development needs of the rural areas (example: agricultural techniques; fisheries; and fish processing techniques; forest production and arboriculture; cattle breeding, etc.);
- Rehabilitate and expand the network of Vocational Training Centres;
- Review the curricula of the vocational training by introducing new teaching approaches, modular training, and training based on standards of competency, with a view to rendering training more relevant and more adjusted to the needs of the labor market.
- Promote the articulation between the formal system of education and the vocational training for employment;
- Promote integrated supports adapted to the different types of small and medium enterprises as well as their capacity to generate jobs, particularly through incentives that facilitate the process of their creation and make available financial instruments more adapted to their needs;
- Promote incentives to the creation of work posts requiring reduced qualifications and investment through: i) Granting of credits for financing small projects; ii) Promoting and developing micro-enterprises and income-generating activities based on criteria of profitability ensuring their sustainability; and iii) promoting temporary employment through the rehabilitation of infrastructures at the rural level (public buildings, roads, etc.), utilizing the "labour-intensive system", based on the utilization of available labor and limiting the use of machines;
- Foment the integration of high level and medium level technicians in the enterprises;
- Grant scholarships for students attending vocational training courses abroad, particularly those in the Philippines and Indonesia;
- Further study legislative measures relating to vocational training and employment, as well as improve the functioning of the state departments created with the objective of reducing unemployment;

In summary, the performance of the training scheme and the labor market will have to be observed in a single context.

With a view to maintaining and improving labour relations, the Government will not ignore measures that encourage the protection of the existing labour through the promotion of a culture oriented towards the labour and based on International Conventions. Thus, and more concretely, a set of measures will be put in place aimed at:

- Promoting the education of workers and employers on labour relations;
- Approving the Labour Code for up-dating the rights of the workers;
- Ratifying the International Labour Conventions – among others, those of the ILO – relating to forced labour and to the worst forms of infant labour, with a view to progressively attaining levels of decent work for all the Timorese workers.

3. Art and Culture

This Government will place culture at the service of the assertion of the Nation and the Timorese State.

In the era in which we live, marked by globalization, is almost common sense that the preservation of cultural identities of the peoples and communities may contribute to safeguard the identity of these same peoples and communities, particularly the least advanced and those with less weight in the community of Nations.

Without ignoring other equally necessary forms of national affirmation, the Government believes that it will be essentially through culture that Timor-Leste will have to position itself, preserving, enriching, and safeguarding its identity, without ever denying its openness to modernity.

Protecting culture ensures the lasting transmission, over generations, of the historic and ethnographic legacy of our ancestors and their conquests, realizations and contemporary values.

In this connection, the Government bases itself on the principle of the establishment of responsibilities of the State, of the coordination and harmonization of the several participating actors in the cultural activity, singling out its role of a facilitator of cultural actions.

The fundamental objectives in the area of Culture are:

- To promote cultural values that contribute to the consolidation of Peace and the construction of the Timorese Nation;
- To promote the knowledge and dissemination of culture at the national and international level;
- To support the development of cultural tourism and the initiatives of private investment on cultural and artistic heritage;
- To increase the cooperation and the cultural exchanges with the Community of Portuguese-Speaking Countries – with which Timor-Leste shares a common historic cultural heritage – and with the neighbouring countries.

Language: Promote and Value Communication

In the domain of the language, the Government will deepen the policy of promotion and valuing of Tetum. Concomitantly, and in safeguard of the two official languages, the Government will also take measures to ensure that the country moves progressively towards an assumed bilingualism.

Cultural Research

The Government will not ignore the need to strengthen research activities in the cultural field. History, oral traditions, literature, anthropology, sociology, linguistics, music, as well as other areas of human or social sciences constitute areas of research that need to be reinforced.

The Government will give priority to production and broad dissemination of the History of the Timorese resistance and the historic deed of our people in the struggle for the liberation of the country.

The media at the service of culture

Special use should be made of the media to protect and disseminate culture and tradition in their various forms of art, such as theatre, dance, music, gastronomy, etc.

Plastic arts, handcraft, and audio-visual: promote creativity.

In the context of cultural promotion, the Government shall give due attention to these areas, with a view to promoting cultural habits among the Timorese, inducing them to enjoy the pleasure deriving from aesthetic contemplation.

In order to attain this objective, the Government intends to:

- Undertake actions aimed at promoting plastic arts, particularly capacity-building through training activities inside the country and abroad: support to the organization of manifestations and/or fixed and itinerant exhibits; and preparation of technical and financial feasibility studies for creating a School of Arts and Trades;
- Promote handcraft fairs inside the country and support the participation of national artisans in international exhibits; establish a strong articulation between handcraft and tourism sectors; contribute to the recovery of the traditional forms and techniques and to the introduction of new techniques; mobilize and render the artisans accountable in creating the conditions enabling to conciliate the artistic and economic dimensions of handcraft;
- Undertake base studies as well as technical and financial feasibility studies with a view to materializing the initiative of creating a centre and/or training mechanisms and audio-visual production for the national market as well as for the markets of the Community of Portuguese-Speaking Countries and the neighbouring countries of the region.

Cultural Diplomacy

At the international level, culture should constitute the face of the country, contributing at the same time to prevent the uprooting of generations of Timorese living in the diaspora.

To that end, the need exists to develop a “Cultural Diplomacy” through the re-sizing of our diplomatic and consular representations, providing them with the necessary means to enable them promote cultural activities in partnership with the Timorese associations scattered around the world.

4. Sports

Side by side with culture, sports should constitute itself as a factor for congregating the youth and promoting social cohesion.

Sports constitute itself as a social and recreational activity that should foment interaction, cooperation and healthy competition among the members of the community. It undoubtedly encompasses a value of socialization and education for those practicing it and contributes towards the consolidation of friendship among peoples.

It also contributes to improving the quality of life of those practicing it and for the integral development and individual well-being.

The Government takes on the following commitments with a view to promoting more and better sporting activities:

- Strengthening the educational, recreational, and cultural dimension of sports, in articulation with policies for education, health, and the youth;
- Introducing/strengthening criteria of equity in the intervention of the State with a view to reducing local and regional inequalities in the access to sports practice;
- Promoting dialogue, tolerance and ethics in sports activities;
- Training of human resources (leaders, trainers, and other sports agents);
- Establishment/rehabilitation of sport infrastructures with the objective of facilitating the access to sports practice;
- Promoting the formation of associations and linkages;
- Developing sports training initiatives for young athletes as a strategy to recover children and youth under social and family risk situation;
- Making the involvement in school sports widespread. School sports should receive the necessary attention as an important element of physical and psychological development of students;
- Strengthening of the training of technicians on physical education and sports;
- Preparation of an integrated programme for the development of national sports that involves schools, athletes, clubs/associations, representative organizations (the Olympic Committee), and private companies;
- Establishing criteria for recognizing sports people, individualities, as well as institutions that, by virtue of their work, glorify sports and, through it, the country;
- Promoting the establishment of sports nucleus at schools, sucos, hamlets, work places and Defense and Security Forces units;
- Promoting the holding of School Festivals, Tournaments, and other sports initiatives, with a view to occupying the leisure times and discovering and valorizing sports talents;
- Promoting the research, dissemination, and practice of traditional sports;
- Encouraging the establishment of programmes of cooperation and exchange in the field of sports with a view to cementing the relationships of friendship and solidarity, paying a special attention to the strengthening of ties with the Community of Portuguese-Speaking Countries and the countries of the region;
- Establishing legislation adapted to the development of sports in the country.

Chapter IV

Solidarity, Health, and Social Protection in the Fight Against Poverty

Timor-Leste needs all its sons, without exception and exclusion.

To that end, the Government intends to implement a specific public social policy that is effectively geared towards the most vulnerable segments of the population and that establishes, as its fundamental objective, the involvement of such segment in the definition of the said policy.

This Government will develop programmes for granting subsidies to the poorest and the most vulnerable. In addition to contributing to increase social equity, such subsidies will also contribute materially to the formation of human capital is essential for a sustainable development.

In this connection, the Government will also develop programmes for fighting youth unemployment (for example: the establishment of community centres), for granting pensions to former national liberation combatants, the elderly, the disabled, and other people pertaining to the most vulnerable segment of the Timorese population. The Government will also consider the development of pilot-projects of “transferring conditional money”, in the area of health and education for the poorest families, as is the case in many other countries..

Side by side with this specific policy, the Government proposes a multidimensional approach to poverty, which will allow to promote forms of collaboration among various public services and encourage a major involvement of civil society.

The Government recognizes that NGOs and other civil society organizations may facilitate creative combinations bearing in mind the local peculiarities and the mobilization of local agents with greater capacity to assume the implementation of strategies of struggle against poverty and exclusion. The consolidation of the notion of partnership among the State, the Church, and civil society organizations may open new opportunities for a concerted action, without prejudice of the regulatory function of the State.

Thus, the Government intends to:

- Develop policies, strategies and methodologies for establishing partnerships of cooperation among the Church, civil society organizations, and the Government;
- Create conditions for a genuine institutional building of civil society organizations;
- Establish mechanisms of dialogue and permanent consultation, in a perspective of coordinating the interventions;
- Create a platform to enable concert the intervention of the various agents, such as the State, the Church, civil society and international organisms, both in terms of policies and strategies, so that there can be a better coordination and management of the available resources.

1. Health

Health, just as education, contributes to the formation, expansion, and preservation of human capacity.

The Government will implement the National Health Strategic Plan observing the following priorities:

- Improvement in the access to, and search for, quality health care with a view to attaining the Millennium Development Goals, with emphasis on the reduction of the high mortality and maternity rates and on the fight against infectious diseases, such as malaria, dengue, and tuberculosis;
- Strengthening the management of the support systems, with special attention to the Development of Human Resources;
- Strengthening of the coordination, planning, follow up, and evaluation of health services;
- Guaranteeing basic health services for all throughout the country;
- Reviewing and approving legislation for the health sector;
- Developing, legislating, monitoring pharmaceutical activities;
- Guaranteeing medical and medicine assistance to all children during their initial years of life;
- Establishing a national vaccination programme (preventive health perspective);
- Developing transversal policies that may have a bearing on human health area such as: environmental conservation, sanitary control of products, health education programmes, programmes to fight diseases originating in animals; nutritional programmes; medicine programmes;
- Rehabilitation and establishment of health infrastructures, namely hospitals and health centres, at the national level.

The health services will be guided by the following fundamental values: the right to health and equity, with special attention to the poorest, cultural sensitivity, solidarity, and friendship.

The Government, which shares the World Health Organization's concept according to which Health is a "state of complete physical, mental and social well-being and not merely the absence of disease or infirmity", will pursue with interventions with a view to face the several challenges that are still

persisting in this domain, among which the following:

- Establishment of disease preventive systems;
- Promotion of sanitary and food education;

This picture calls for an improvement of the Health System whose objective is to reorient it towards obtaining gains, in terms of health, for the Timorese population.

More specifically, the Health Policy of the IV Constitutional Government aims at promoting equity in the access to healthcare by redefining a coverage with a set of minimum services that are appropriate to the concrete conditions of the country, improve the performance of the system and guarantee the quality in the delivery of health care at all levels.

The Government undertakes itself to improve the delivery of health care, with priority for the most disadvantaged segments of the population, on the basis of criteria of equity in the distribution of resources, efficiency, and quality in their utilization. The Government will guarantee the efficiency and equity of the financial and material resources, the maintenance of infrastructures and equipment, in order to contribute to the improvement of the delivery of health care to the population, and shall maintain the inter-sectoral collaboration as well as development of partnerships.

Pursuing these objectives requires an improvement of the Health Services, the harmonious development of the infrastructures network and human resources, and the improvement of capacities in terms of management.

The Government will favour dialogue and collaboration with the organizations representing the health care workers, as well as with the religious organizations of the civil society intervening in the health area, in the implementation of the established objectives.

The Government will stimulate international cooperation, both multilateral and bilateral, with friendly countries and international agencies in the area of health, in order to fight emergencies and the transmission of diseases, and for the progressive development of the Timor-Leste's health system.

Cooperation between Cuba and Timor-Leste in the health sector will continue to take place, ensuring working conditions all over the country for the Cuban technicians to enable them exercise their professions and creating, on the other hand, conditions for the professional insertion of Timorese students currently studying in that country.

2. National Liberation Combatants

The constitutional duty to "Recognize and Valorize the Resistance" already has a legal framework and decisive steps have been taken by the previous legislatures, namely in terms of registering former combatants and veterans and in the decorating by the State of national liberation combatants.

The Government recognizes, valorizes and protects the National Liberation Combatants and advocates that the combatants play a more active role in the process of consolidation of peace, democracy and progress of the country.

The Government advocates the idea continuity and deepening of measures in favour of this important segment of the Timorese society in the framework of a policy of stability and social cohesion.

Thus, the Government proposes the following:

- To continue to apply institutional measures in compliance with the duty of the State to decorate the Combatants who have not yet been officially recognized;
- The payment of the pensions provided for in the law, with priority being given to survival pensions;

- The opening of a new register;
- The institutionalization of the Consultative Council of Combatants as a permanent platform of consultation in the implementation of policies in favour of the National Liberation Combatants;
- The progressive application of the remaining rights of the national liberation combatants, starting by the issuance of the cards of “beneficiary of social protection”;
- Demobilization of the FALINTIL members;
- The undertaking of actions that contribute to the reinsertion of the Combatant as a historical actor and an agent of the socio-economic development of the country, democracy, and peace maintenance.
- Research on the History of the Struggle for National Liberation;
- Promotion of training actions in order to provide the national liberation combatants with skills and enable their reintegration in civilian life with dignity;
- Implementing measures for the development of small income-generating projects through the financing of the State by creating a specific fund to that effect.

3. The Elderly and Women

Protection of the Elderly

The issue of protection of elderly citizens constitutes a concern of the Government, derived from the principle that elderly citizens are the guardians of the historical and cultural patrimony of the Nation, citizens who hold rights and duties and who are eligible to integration, acknowledgement, respect and protection. Based on these principles, the Government proposes:

- To reinforce and stimulate solidarity and incentive to families, such as privileged insertion, relationship and protection spaces for the elderly;
- To reinforce and support organizations and institutions which promote and nurture activities in favor of the elderly;
- To develop community support initiatives for the care of the elderly by means of Community Centers to be created at the suco level;
- To promote programmes for civil and moral education aimed at changing or preventing negative attitudes in the society regarding the elderly;
- To develop and broaden information and communication programmes regarding the rights of the elderly and the important role they play before the younger tiers of society;
- To improve the welfare and social security system for the elderly, as well as create direct social support mechanisms and other forms of support for the elderly, namely the pension system.

Women’s development and their role in the harmonious development of the Timorese society

This Government intends to raise society’s awareness about women’s rights by focusing on the implementation of practices aimed at:

- Reinforcing the introduction of the gender perspective in the conception and assessment of national development policies and strategies;
- Reinforcing Women participation in the decision-making bodies in all levels, particularly in the domains of political, economy, social and cultural life and ensuring equal opportunities by relying on positive discrimination whenever required;
- Develop and broaden information, communication and education programmes regarding Women’s Rights by using national languages and accessible methods (arts and audiovisual techniques) and involving social communication channels in order to raise their levels of awareness and enable them to handle violence reports;
- Implementing strict policies in order to fight domestic violence, which poses women as the main victims;
- Supporting female heads of low income families by means of projects aimed at the generation of revenue and self-employment programmes;

- Reinforcing the capacity of intervention of organizations and groups acting on the defence of Women's Rights, particularly the NGOs, by granting them more resources for the development of activities in favor of Women, such as the fight against poverty, violence and discrimination, access to credit lines, professional training and employment, education, health and the development of revenue-raising activities;
- Improving articulation and coordination among the several intervening parties, focusing on the optimization of resources and the impact of the feedback.

Chapter V

Infrastructures and Improving Living Conditions

The Government shall still develop programmes in order to provide sustained improvement to the quality of life of all Timorese people, which calls for political actions in the areas of housing and public works, water, electricity, basic sanitation, telecommunications and transport all over the country, with a special focus on the improvement of life conditions of the neediest members of society.

The social and economic development of the country cannot be set apart from the provision of physical infrastructure since this is a transversal sector to all of the development areas. The fostering of agricultural productivity and reduction of poverty can only be achieved by means of an effective infrastructure and service system, which in turn shall enable the take-off of the industrial development and contribute to the human development and the development of the private sector while promoting tourism at the same time.

The type of development in this sector will have to be based on a record of equity so that there is a balanced development which enables the benefits to be disseminated around the country instead of increasing inequality between urban and rural areas. The development of infrastructure in the rural areas is paramount in order to avoid asymmetries in the country – particularly reliable roads and communication systems which allow rural markets to function properly and contributing for the reduction of poverty among rural families.

Promotion of the technical and professional training in the construction area combined with the education and training for civil servants who work in this area at the district, sub-district and suco level in order to accommodate the planned principles and construction techniques.

1. Housing

The Government shall prioritize the building of dwellings for all Timorese citizens, particularly for those in the most vulnerable situations, by promoting the implementation of an urbanization plan in Dili and the remaining districts that is based on the work plan for the cities of Dili and Baucau previously developed by GERTIL.

The building of such dwellings can be carried out by means of an inter-community support spirit, which would end up reinforcing the cooperation and the relationship ties in the community while employing the youth in such a way as to create job opportunities, thus contributing to the stability of the country.

In order to do so, the Government proposes:

- To develop and implement an urbanization plan in Dili and the other districts;
- To reduce the growth trend for the suburbs in the capital city by creating local opportunities for the population in order to reduce the abandonment of rural areas;
- To draft policies, laws and regulations for the construction of dwellings under equality and quality criteria;

- Rebuild degraded public buildings and build new ones;

The Government shall dedicate special attention to the observance of the right to habitation by developing efforts aimed at the definition of a clear and objective national policy for the segment. Under this light, housing-promotion programmes and all of their ramifications will be granted special attention, bearing in mind a realistic platform that considers the real capabilities of the Public Finance and the need to improve housing conditions, particularly among the neediest tiers of the population, by means of mobilization and partnership networks that stimulate the use of technology and raw materials that are most suitable to the financial condition of the future tenants both in the urban and rural areas.

2. Public Works

Public Works constitute a meaningful way to drive the development of economic and social infrastructures in the country, which requires the standardization of the normative aspects of the building parameters, the development of the national building capacity in the country, the improvement of public work quality and the stimulation of the application of modern techniques and technologies while relying on local materials whenever possible.

The Government shall ensure the continuity of public work which enables the distribution of reliable water and electricity and proper roads and bridges throughout the country. It shall also focus on the development of efficient ports and airports.

In this particular area of work, the Government shall:

- Rehabilitate and build new roads and bridges, particularly at priority locations;
- Create mechanisms required in order to ensure the preservation and maintenance of existing roads and bridges for improved efficiency in managing these resources and keeping such structures from reaching such a level of degradation that requires the structure to undergo constant repair or rebuilding (finding solutions to landslides);
- Ensure the quality improvement of the works by means of creating Research and Development structures to carry out lab analysis;
- Prepare feasibility studies for the construction of highways.

3. Water, Energy and Sanitation

Improvement of the quality of life of the Timorese citizens requires access of the whole population to: treated water, electricity 24 hours a day and sanitation conditions, particularly by means of sewer systems and sewage treatment. That is the reason why the Government is committed to engagement in the development of the area by creating the right conditions in order to:

- Legislate upon water usage;
- Legislate upon sanitation;
- Rehabilitate existing water treatment and sanitation facilities;
- Build new water treatment and sanitation facilities;
- Perform maintenance on such facilities;
- Develop hydrologic studies aimed at the construction of multiple usage dams (potable water, agriculture, energy and tourism development)
- Implement connections of the 20kV aimed at reducing the number of stations and facilitating the interconnection to the future High-voltage system (132 kV or 150kV);
- Perform feasibility studies for the building of a substation in the Dili area in order to enable the city to receive energy from stations other than Comoro's, thus increasing the quality of service;
- Perform studies and build hydroelectric stations;
- Reinforce existing energy distribution grid and create new energy transport grids for the remote areas in the country;

- Allocate budgetary subsidies for the energy availability;
- Create a sustainable energy program;
- Improve the collection system for energy payments;
- Speed up the Ira Lalaru energy project;
- Professional training and preparation of human resources for the efficient and sustainable development of the sector.
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4. Telecommunications

The main goal of the Government in the telecommunications area is the development of the technology process by means of a proper Telecommunication policy in order to regulate the sector and enable the development of new technology-based services that motivate the actors in the area while enabling access of all Timorese citizens to this service within certain quality standards and at lower costs.

In this area, the Government proposes to:

- Improve efficiency levels and action scope for the Communications Regulation Authority (ARCOM – Autoridade Reguladora das Comunicacoes), which shall work in an autonomous manner and according to its legal nature as a Public Institution by approving all regulations for the communications area and properly overseeing market agents;
- Promote the installation of radio frequency monitoring stations throughout the country;
- Assess contracts with Timor Telecom and evaluate monopoly systems in the telecommunications area by pondering about the advantages of competition in benefit of the Timorese citizens;
- Perform the telephone line interlinks with the districts and increase servicing area;
- Increase hard-line telephone network;
- Disseminate internet access throughout the country while promoting the interconnection between Government bodies via computer networks and the use of voice communication over Internet protocols – VOIP for government institutions, as well as ensure radio communication coverage in rural areas;
- Implementation of Postal services as a public company, according to the framework used in most countries around the globe, ensuring its financial and administrative autonomy, regulating the postal activity and the building of postal infrastructures required throughout the country;
- Create natural disaster prevention mechanisms by means of the implementation of the operation, rehabilitation and procurement of automatic and manual seismic and tsunami detection equipment. Such equipments also ensure the supply of weather forecast and rainfall measurement services. The system must be implemented at the Dili, Oe-Cusse Ambeno, Baucau, Viqueque, Suai and Maliana meteorological stations;
- Inclusion of Timor-Leste in the WMO – World Meteorology Organization.
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5. Transportation

The improvement and increase in circulation of people and goods constitutes a fundamental factor for driving the economy growth and the harmonious development throughout the country.

The Government program shall accomplish the following goals in this sector:

- Review the legislation regarding the Highway Code;
- Create public land transport with fares that benefit the poor;
- Regulate private transport sector, such as taxis;
- Repair and increase the number of traffic lights throughout the country in order to prevent disasters;

- Promote the expansion of a cargo transport network for rural areas that is aimed at supporting farmers and other segments in the commerce of agricultural surplus and other goods;
- Review vehicle import taxes;
- Create mechanisms for decentralizing vehicle inspection;
- Implement mandatory insurance operational mechanisms;
- Repair/replenish and increase seaports in some areas in order to facilitate cargo and passenger transport;
- Open the Baucau International Airport for operations;
- Implement the competitive system for international airlines;
- Create international maritime lines for passenger cruises, particularly between Timor-Leste, Indonesia and Australia;
- In the land transport area, implement support stations in the Districts in order to promote inspection services and swift vehicle registration and issuance of drivers' licenses;
- Regarding maritime transports, review regulation of the seaport activities, build a slipway at the Tibar Bay with the cooperation of the German Government, including a feasibility study for a commercial seaport in the same area;
- Regarding air transport, it is important to highlight the need for regulating airport activities and building domestic airports in Same, Suai, Maliana and Oe-Cusse Ambeno, as well as revitalizing the Baucau airport;
- Implement a proper control system for the State's equipment and fleet as well as their respective maintenance.
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6. Environment, Reforestation and Prevention of Natural Disasters

The Government takes upon the commitment of developing an environmental policy which is guided by durable development principles and harmoniously integrates the environmental, economic and socio-cultural components. Bearing in mind that this "half-island" is rich in natural resources, we are faced with the challenge of treasuring these resources and promoting a management system and territorial planning in a way to avoid degradation of the natural landscape.

We shall provide a clear policy for the protection of maritime life, particularly corals, with the goal of avoiding their destruction so that they can become attractive visitation points for tourists in the future.

Reforestation is also a pressing issue, and it requires the education of the population in order to instill values of protection of the land and nature so as to avoid the continuous destruction of the environment.

The Government, by means of its national development plan, proposes to carry out studies for the preservation of forest pockets in a way to promote a systematic and orderly culture of native wood of high commercial value, as well as studies for the introduction of new types of wood in a way to create self-sufficiency and reduce the imports of such goods.

7. Environmental Policy

The development of the country has to be harmonious and ecologically balanced, and an economic growth that is aware of the defence of natural and environmental values is a national task that shall be performed by all of us. The sustained development is aimed at the progress under men's measure, representing an ecologic and humanistic approach in order to ensure a better quality of life for Timorese citizens.

The Environmental policy to be pursued by the 4th Government is based on the principles of sustainability, transversality, integration, equity and participation.

The goal of preserving and defending the natural patrimony of the country is one of the most

elementary duties of the Government before future generations.

The Government intends to grant the environmental area the statute of essential vector that is an essential part of the mid/long term development strategy so as to remove the negative connotation of a restriction imposed to the economic growth policies.

The current state of development of the country requires a raise in the environmental standards in the several domains as an essential condition for the improvement of the quality of life of the Timorese citizens. The environment will have to leave the marginal space it has held so far in order to be transformed in a common denominator in the definition of sectoral and global policies.

The utmost goal is to provide the citizens with a larger and improved quality of life, thus promoting a rational management of natural resources, the protection of the environment, the defence and rehabilitation of the architectural and cultural patrimony and the preservation of zones of high ecologic and landscaping interest.

An effective promotion of the natural resources and the implementation of solid actions in the environmental domain will be able to provide that citizens reach dignified levels of quality of life, regardless of where they are located in the country.

In order to make these goals come to fruition, the following measures are highlighted:

- Define an environmental and natural resources policy with a view to the integration of the environmental component in the several sectoral policies, based on the principles of sustainability, transversality, integration, equality and participation, of valuation of natural resources that matches the development of agriculture and forests with the preservation of nature. Consequently, a National Plan for the implementation of such Policy shall be prepared;
- Prepare Environmental Base Laws (leis de base) and consolidation of the legislation regarding currently protected areas as well as the potential ones and the Assessment of Environmental Impacts and Pollution Control so as to enable a proper intervention of the environmental policy component. Particularly, the legislation regarding environmental impact studies bears a fundamental goal of assessing certain activities and projects prior to granting them with a license in the search for characteristics which represent additional strain over the environment due to their dimension or nature;
- Implement legislative measures, namely of penal nature, regarding the defence of the environment, focusing on the protection of the landscape, natural resources and environment in general;
- Adapt or replace the several legal environmental instruments in place so that they fit the current legal system, so as to provide an environmental legal scenario that fits the reality of Timor-Leste;
- Implement Environmental Multilateral Agreements signed by Timor-Leste, respectively the 3 Rio Conventions (UNFCCC – United Nations Framework Convention on Climate Change, UNCBD – United Nations Convention on Biological Diversity and UNCCD – United Nations Convention to Combat Desertification). Since this is one of the most critical and fundamental areas of environmental intervention, transversal since the definition of global general policies to the implementation of local and national reach projects, the government will provide the necessary means to be able to manage the sector, thus accomplishing the responsibilities and interests of Timor-Leste as an effective member of such conventions;
- Promote the participation of citizens and all social agents, enabling easy access to environmental information. Campaigns for raising the awareness of the population shall be launched and an environmental education program shall be promoted in order to enable the training and increased awareness of citizens in several environmental domains to be accomplished both inside and outside the educational system. The Government shall also nurture environmental awareness projects that involve environmental focal points, particularly at the local level, where the environmental awareness is extremely required, so as to increase

the connection between Government, Districts and Sucos;

- Prepare and implement a National Environmental Quality Surveillance Network across the country by using proper technical and computerized means for such end. The scientific lab and technical capabilities for analysis and assessment of the quality of Air, Water and Soil shall be reinforced in a progressive manner.
- Implement the Pollution Control system by means of the approval of proper Legislation and implement an Environmental License system;
- Promote the preparation of a National Policy for the Management of Residues and a National plan for the proper implementation of such policy, investing in the preventive actions regarding waste production;
- Promote and develop integrated collection, treatment, valuation and final destination programs for residues per classes (i.e., oil, metal and plastic);
- Promote public actions such as collection, screening, recycling and initiatives for the recovery of all residues that bear financial value;
- Dedicate special attention to the definition of a Policy, Strategy or National Plan for the Preservation of Nature and Biodiversity which Timor-Leste has committed to with international guidance, and which bears in mind the definition of hunting species, rights of animals in general, plant and animal trade, protection of woods, preservation of biotypes and protection of rare/endangered species;
- Promote the defence of the National System of Protected areas by articulating the environmental policy with the Territorial Planning;
- Approve a new legislation regarding Protected Areas by reviewing and updating the UNTAET regulation;
- Create new protected areas in accordance with the approved legislation.

8. Reforestation Policy

The 4th Constitutional Government proposes to develop:

- The creation of tree “nurseries” in order to enable forest growth;
- The creation of systems for the prevention of forest soil erosion;
- Create forest soil erosion prevention systems;
- Create an orchestrated reforestation program in all districts with the objective of each citizen planting a tree each year just prior to the rain season by means of the distribution of subsidies and incentives to each suco. This program shall be the subject of a proper study to be developed: trees for domestic application, trees for human and environmental rehabilitation and trees for commercial use;
- Training of forest guard;
- Reforestation of dry/arid and empty areas;
- Creation and protection of Forest Centers;
- Creation of proper Legislation for the area;
- Civic education for the protection of forests.

9. Prevention of Natural Disasters

Bearing in mind the geographic position of Timor-Leste, the country may be vulnerable to disasters caused by weather anomalies which may pose a disastrous impact to the social and economic infrastructures as well as have a drastic impact on the life conditions of the Timorese people.

In this scenario, the Government understands the development of natural disaster prevention policies as a priority that may come to reduce the loss of lives and properties.

In order to do so, it is necessary to consolidate a culture of prevention and equip the country with measures which enable the prevention of natural disasters or at least reduce their effects. In that sense, the Government shall:

- Promote the study and identification of risk areas;
- Create warning systems, especially when it comes to torrential rains and dry periods;
- Prepare and enable human resources in this area so that they are able to provide immediate response when such disasters take place;
- Prepare natural disasters inter-sector response coordination mechanisms.

Chapter VI

Promoting Equality and Tolerance, Internal Security and Strengthening Democracy

Living in freedom means building a democratic system in which the fundamental values of Men, of the person as an individual or associated. The essence of democracy is the pluralism of ideas and the several points of views implied by it.

The freedom of speech is based on the Fundamental Human Rights, the rights of each individual to think, believe and choose without any coercion or intimidation of physical, psychological or political nature.

In this sense, Democracy shall continuously be lived and reinforced amidst the people. Democracy is not limited to the electoral act that takes place every 5 years but to the democratic every-day living among the Timorese from small communities to big cities.

This Government wants to ensure that the democratic process is reinforced in the actions of the State and society and that it is deeply rooted in the participation of the people.

So as to help achieving these goals, the political parties must be seriously involved in the political education of our people in order to promote political tolerance, because actions and behaviors can only be instilled with a natural acceptance of mutual rights as individuals and as political groups by means of political tolerance, thus frustrating violence, particularly the type of violence promoted by political parties.

Effective Democracy implies, on the one hand, that there are strong political parties in place which are able to create and implement alternative Government programs and, on the other hand, provide citizens with the effective reinforcement of the exercise of rights, freedoms and guarantees provided for in the Constitution.

This Government intends to fight the frailty of the democratic process in the country and proposes to work in very close cooperation with the National Parliament in order to reinforce the multi-partisan system in Timor-Leste.

10. Peace and Security

A safer society in which the rights of citizens and public peace are preserved constitutes a fundamental concept of democratic life.

Internal stability and the security of the people and properties are crucial elements for the social peace and serenity of citizens. They are also a sine qua non condition for the development of any country, particularly Timor-Leste, due to the psychological effect it triggers on potential economic investors and operators.

In this scenario, the key internal security and national information system issues that preserve stability and cohesiveness of the social layers and ensure the rights, freedoms and guarantees of the citizens shall represent a concern of the political forces and society in general and shall lead to a broad and serious debate.

When it comes to people and property security and public order, the Government shall dedicate all its

attention to the technical-professional qualification of security agents, a basic condition so that the constitutional principles are observed and the fundamental rights of citizens are completely respected whenever such agents perform their duties.

Internal security is also linked to the prevention and management of conflicts. In this sense, it is also required to transform minds and attitudes as well as the respect for differences. Dialogue, mediation and reconciliation are essential channels in order to instruct people about conflict prevention capabilities by means of civic education for the prevention, conflict management, democracy and conflict resolution.

Public order agents shall therefore work in close cooperation with the society, including the church.

The Government shall align its efforts so as to dignify the police as an institution while reviewing its structure and territorial deployment by introducing channels, mechanisms and procedures that translate into the effective strengthening of the relationship with the population the PNTL must serve in a permanent and efficient manner.

With the intent of providing quality services to citizens, the proper articulation with the several forces and services involved shall be ensured, namely between the PNTL and the National Civil Protection Service, under the perspective of understanding the national security and public order as a system that enables the coordination and the rationalization of the few available resources.

In this sense, the Government is committed to take the following structuring political decisions:

Confirm the authority of the State

The country is at an embryonic stage. Therefore, it is of utmost importance to adjust the current needs to the means that ensure basic protection and freedom of citizens while projecting the growth of Security Institutions by rehabilitating response instruments to meet threats which are able to put public peace and security at stake.

As a social aggregation and national identity-building factor, the Security Policy shall be structured in order to accomplish the State's effort for the promotion of national cohesion by controlling factors leading to social exclusion. Social aggregation factors are the ones that respect the legality and the decisions of the Courts. Social exclusion factors are practices that do not observe the equality of rights, impartiality and enforcement of the law outside the courts with no damage to traditions and habits that do not violate legal and constitutional principles.

Another fundamental principle of the Democratic Rule of Law and the freedom of citizens is found on the guarantee of the efficient execution of the rulings of the courts, thus minimizing the sense of impunity among transgressors and the society while confirming the authority of the State and its institutions.

Fight criminality

The Government shall dedicate special attention to fighting violence generated by organized groups by making the necessary legislative measures for the regulation of its activity and fitting the police with the necessary equipment and proper training in order to efficiently respond to these criminal activities.

Among the required human resources, it is important to highlight the creation of a specific criminal investigation team with the priorities of increasing the fight against criminality and restraining emerging new crimes such as drug trafficking, illegal immigration and many others.

The Government shall dedicate special attention to the reinforcement of the capacity of the

Immigration System in order to regulate the comings and goings of the Timorese citizens. This policy shall be implemented in order to avoid illegal movements in the country that could foster instability, including terrorist activities.

It is also being considered the possibility of fitting the police with a versatile and integrated broadband-enabled communication equipment in order to link all bodies, including civil protection and emergency services, which are located within the police ranks and are operated by PNTL members.

The Government shall attenuate current insufficiencies by resorting to an investment plan which eliminates the deficiencies in material aspects while promoting and developing technical/professional capacity-building of all human resources in the area.

Strengthening of the Prison System

The prison system shall be the subject of profound restructuring activities in order to guarantee that justice is sovereign and that impunity is effectively fought. This means a requirement for the rehabilitation of existing prison facilities and the re-qualification of their staff as well as the need for building new prisons so that justice can be served and those who are held responsible for their crimes are treated with dignity.

However, we shall bear in mind the need for reinforcements in the area of professional qualification for prison guards.

In order to meet the expectations regarding the aforementioned issues, the Government proposes to implement the following measures for the Security Sector Reform area:

- Reformulate the Internal Security Law by clarifying the general limits of activity and integrating the missions of each and every functional bodies;
- Implementation of the Security Coordination Office provided for in the current Internal Security Law in order to articulate the operational and coordination activities and fitting the teams with human resources and materials to make the integrating bodies operational;
- Move forward with the review of the Organic Law of the Security Ministry;
- Move forward with the PNTL Legislative Reform, with special attention to the following statutes: PNTL Organic Law; Organic Charts (Personnel, Equipment and Material); Disciplinary Regulations and Statutes of PNTL Officers; Transfers and Career Plans; Professional Levels, Promotions and Salaries;
- Move forward with pension studies.

Restructuring of the PNTL;

- Extinction of the Maritime Unit while transferring its competences to the Ministry of Defence in order to delegate the coastal and maritime patrolling to the Naval Component so as to save means and resources as well as simplify command, control and coordination activities in the area;
- Extinction of the Border Patrol Unit (BPU – Unidade de Patrulhamento de Fronteira) while transferring its competences to the Ministry of Defence by means of the deployment of F-FDTL Units in order to keep Customs and Migration Department operational at the border posts;
- Assembly of a special unit to be called Special Operations Unit in order to substitute the UIR and the URP. This unit shall be made up of the specific components of Personal Security, Special Operations and Improvised Explosive Devices;
- Increase the capacity of intelligence services in order to provide precise and reliable information so that the PNTL is able to structure their operations;
- Increase the capacity of the community police in order to prevent conflicts and care for the needs of the citizens in terms of public security;

- Revise fundamental PNTL statutes so as to reinforce its operational autonomy and the chain of command;
- Re-graduate land units;
- Adapt the human resources to the real needs of the country;
- Restructure social services;
- Acknowledge merit as a criteria for promotions;
- Update general regulations for weapons and explosives;
- Move forward with the infrastructural development and logistic support by means of dignified and operational facilities, social/family facilities and the creation of a self-sustainability system (food, fuel, car maintenance, uniforms, etc.) in order to facilitate transfers;
- Invest on intensive qualification and job training at all levels and ranks for the current officers of the PNTL by introducing specific programs;
- Intensify and diversify cooperation at national and international levels;
- Provide proper equipment for the units and aggregate real content to the preventive characteristic of the Public Order Police;
- Implement neighborhood patrolling activities;
- Define an efficient program for fitting the Police with the essential material resources for the development of their duties, including the initial creation of tax-free, state-subsidized canteens in Dili, Baucau and Maliana.

PNTL/F-FDTL articulations

The articulation of the Timor-Leste National Police (PNTL) and the Timor-Leste Defence Force (F-FDTL), which shall be referenced in the National Defence and Armed Forces Law and regulated by a proper statute, is vested in special importance, particularly upon the uprising of high intensity conflicts which may come to take place within or outside Timorese territory and which may come to have an effect on the normal operations of State bodies.

Civil Protection

The Government shall take the following structuring political decisions regarding civil protection:

- Consider the F-FDTL, PNTL, maritime, seaport and airport authorities, fire department, hospital emergency services and the Red Cross as the institutions responsible for civil protection regarding warnings, alerts, immediate intervention, rescue and assistance in an emergency situation;
- Provide the approval of a proper legislation (Organic Law) for the Civil Protection and Fire Department Services, which are responsible for protection and rescue services for people and properties and the prevention of risks deriving from accidents, catastrophes or calamities as well as dealing with the effects of such situations;
- Provide support to private security companies regarding the qualification of their staffs;

Road Security

- Create the proper conditions for the implementation of control measures provided for in the law that regulates driving under the influence of alcohol;
- Introduce safety criteria for road traffic control and reinforce police competence in the subject;
- Introduce control measures to reduce accidents.

11. Justice

The improvement of Timor-Leste's legal system, particularly regarding its efficiency, is perceived by this Government as a part of a broader State modernization and social/economic development process.

The legal reform and restructuring of Timor-Leste shall therefore be integrated into the scenario of a

more generalist process of development of the country, of good exercise of democracy and the rights of citizens.

The lack of legal infrastructure, the need for qualified human resources, the lack of transparency, the distance between the system and the citizens and the battle against problems derived from an eminently bureaucratic conception are conditioning factors of Justice, which is perceived by this Government as a public service secured by the State.

The strategy to be implemented constitutes an imperative of such legislature and is essentially subjected to a global coordination between all courts and the remainder of the public services linked to justice, without prejudice to another goal previously announced by the Government, which is the decentralization of the administration and, consequently, the decentralization of justice.

- Therefore, the development of Timor-Leste's legal restructuring foresees the creation of a "National Coordination for Legal Advisory and Legislation" as a privileged orchestration entity for the legislative production which is capable of contributing to the uniformity and harmony of the legal system.

The Government understands that the legal organization structure must be partially thought over – without prejudice to the precious deliverables achieved so far – incorporating the following legislative priorities in the area of legal administration:

- Approval and implementation of the Penal Code;
- Approval and implementation of the Civil Code, with special focus on the family and succession areas;
- Statute of the Justice Officials, functions and organic laws of the courts and legal secretariat;
- The need for a more integrate system for the resolution of lawsuits;
- Legislation for minors;
- Legislation on land and property;
- Legislation for the regulation of private legal exercise, namely the registration and professional certification;
- Coordinate political, economical, social, demographic and institutional variables in the country in order to respect the sovereignty of the judiciary power and the close relationship with the citizens as well as the need to create higher and improved levels of access to justice.

While aware of the specific legislation in place regarding security, defence and private investment (both domestic and international) as well as a progressive and proper closer relationship among the modern and traditional justice systems, the Government shall also focus on other legislative initiatives of national interest, such as:

- Administrative Procedural Code;
- The institutionalization of the Court of Audit.

This Government, in consonance with the Constitution in place, acknowledges that the Courts are one of the essential pillars of the Democratic Rule of Law; a sovereignty body at par with the Legislative and Executive powers, thus essential in the definition of the strategy for the area. Therefore, and also because the Courts have received constant criticism in Timor-Leste – due to its inefficacy, inaccessibility or slow pace, among other reasons – the Government proposes to promote a set of judicial administration reforms in order to improve such perception scenario, and these reforms can be split in four groups which are aimed at the improvement of the efficiency of proceedings, formal equality, legal rights, impartiality and the possibility to appeal:

- Progressive increase of the resources dedicated to the courts (and other judiciary operations);
- Qualification of employees and improvement in the judiciary system's management capacity;
- Introduction or reinforcement of technology tools in the organization of lawsuits and the courts;

- Development of alternative, replacement or complimentary means for the resolution of lawsuits.

Administrative Modernization and Management of the Judiciary System – Organization, management and planning at a central level

The organization, management and planning of the justice sector at a central level depends on the Higher Magistrate Council (Public Ministry's still to be assembled), the Court Administration and the Ministry of Justice. We consider these structures still do not have the required capacity in order to meet the management and planning requirements for their intervention in the justice system. On the other hand, the dispersion of the several management and administration competences throughout the several components in the system as well as the structural hardships of the coordination of efforts across all of these entities restrains us from an orchestrated action towards the application of more efficient measures.

Therefore, the Government proposes:

- To strengthen the competences at the Higher Council by providing them with technical units which enable a better system administration performance in its competence area;
- Creation of an infrastructure of coordination and joint planning of human (and physical) resources management policies in the justice system that involves the Higher Councils, Court Administration and the Ministry of Justice. Such structure could have a policy and action orchestration role in order to make the justice system more efficient;
- Creation of a central social communication office for justice matters aimed at the development of a more virtuous relationship between justice and social communication.

Establishment of a New Public Policy for Justice

The integrated system for the resolution of lawsuits we propose establishes that the State takes over a new relationship (alternative, complimentary and substitutive) between the non-judicial channels for the resolution of lawsuits and the judicial system which shall be an inclusion rather than an exclusion system. The public policy for the administration of justice shall not be centered in the exclusiveness of the Courts but shall acknowledge that only the legal pluralism and the plurality of the non-judicial channels for the resolution of lawsuits shall be able to make justice more accessible, efficient and democratic, granted they are established in an integrated manner.

In such system for the resolution of conflicts the Timorese State plans to develop, the functions of the State and civil society are partially reconfigured by developing partnerships between the public and the community or the market and establishing a new model of justice in which the heart of the matter is that the third party chosen by the citizen in order to solve his/her lawsuit is not necessarily imposed on him/her by the formal structures of State but, on the contrary, be established according to the closest, most accessible, fastest and most efficient way for the protection of their rights.

A Policy for the Justice Sector which is also balanced by the necessary Social Control

The social control function of the Courts relates to their specific contribution for the maintenance of social order as well as for its restoration whenever it is violated. For that matter, the penal justice shall take action over behaviors that in general present a meaningful deviation of the values acknowledged as particularly important for the normal reproduction of the Timorese society (the values of life, physical integrity, honor, property, etc.).

Consolidation of a Judiciary Culture

Consolidation which places Justice at the service of citizenship and a broadening of the democracy, an area which shall necessarily be subject to the development and reinforcement of the hiring and qualification models for the judiciary components, particularly the magistrates. Such model is being

developed at the legal qualification center and in the law course offered at the National University of Timor-Leste.

The currently existing cooperation platforms as well as the new ones to be implemented (i.e. the judiciary institutions in Macau and their components) shall also benefit from such reinforcement.

In democratic societies, the independent, accessible and efficient operations of the courts are nowadays one of the strongest pledges of legitimacy of the political system. In Timor-Leste, such operations are found to be below the standard levels that the Government intends to achieve.

Accomplishment of a more localized Justice at national levels

Minor or medium impact lawsuits shall be, according to the Government's understanding, taken out of the formal judicial system and use less formal ways in order to bring justice closer to the communities.

On the other hand, it is important to build a non-judicial, nation-wide base of commissions for the protection of children, women, elders and youth at risk which, by means of integration with the Government policies, may respond to the immediate claims of such more vulnerable social groups that definitely cannot wait for the length of the average response time of the judicial decision.

Such commissions, which are usually based in the government departments that are the custodians of solidarity and social protection, shall respond to the problems in an articulate partnership with non-governmental organizations. In the areas of legal counseling and attendance to socially-challenged groups, the NGOs are able to locally meet the demands of the needy population.

We also intend to perform the progressive materialization – as the system consolidates the immediately lower instances – of judicial instances that are still missing in the jurisdiction (i.e. Supreme Court) or the Special Courts contemplated in the Constitution but yet to be implemented (Higher Administrative and Fiscal Courts and, more importantly, the Higher Court of Audit).

Overcome deficiencies in police qualifications hampering criminal investigations

We lack structures and specific knowledge for the investigation of crimes. The problem manifests itself right from the start in the assessment of the police reports because they should provide a set of evidences or elements that would enable us to either reach the conclusion of the investigation the quickest and most efficient way possible, or perform the hearings/interviews almost immediately. As we all know, it is quite common for such reports to be badly assembled, badly written (due to insufficient knowledge of the written language) and often times difficult to understand (since they are prepared by a random sample of agents who are more or less prepared). The Government must address this situation.

Notaries and Registries Services

The main goal in this area is to make State mechanisms for the consolidation of rights more dynamic. The Government considers that the national economy requires the protection of the rights of natural and legal persons (over property and capital). On a mid-term basis, the Government is willing to use existing public mechanisms to secure such rights, namely as regards titles and deeds. Unless the Status of properties and assets is quickly clarified, the economy will not start off, especially regarding private investments due to the risks and legal uncertainties associated to the lease or ownership of land. Timor-Leste's economy cannot remain in a limbo indefinitely because of the uncertainties regarding the status of properties and commercial transactions. Thus, the Government shall draft the necessary legislation and moreover revitalize notaries and registries which are the services responsible for registering transactions and businesses.

12. The Media

We defend the non-alienating value of the Right to Information to form the foundations of the pillars of freedom and citizenship.

The existence of a free, independent and pluralist press as a channel for the healthy critical spirit of our society constitutes a main characteristic of the Democratic State, firstly because of the role it plays on granting the citizens with their fundamental right to freedom of speech and creation and, consequently, the right to inform and be informed.

The 4th Constitutional Government shall be concerned about the self-confirmation of the Media as an instrument of development for civil education actions and the promotion of citizenship, aimed at contributing for the understanding of the national political process.

We encourage the direct relationship of the Public Ration and Television Service and the remaining medias with the cultural values and the identity of the Timorese people and, naturally, with the intrinsic values of democracy and democratic coexistence while respecting the dignity of the human being and the pluralism of opinions.

By doing so, this important segment of our society will have gathered the perfect conditions to develop a critical and responsible mass and will be able to contribute to the existence of an increasingly informed national community which is tolerant, inclusive and respective of the social pluralism.

This scenario requires the introduction of substantial reforms to the sector in order to avoid manipulation, censorship and the abstention of contradictions while delegating responsibilities to the provider and the receiver of the news.

Therefore, the essential principle is to grant the media and their professionals with the essential freedom, impartiality and independence environment under the light of quality, professionalism, responsibility and austerity.

The Government supports the idea of the right to free expression and creation by promoting the freedom of speech in a context of freedom and independence of the media before the political and economical powers, thus enabling the normal confrontation of the several points of view that are legitimated by the social pluralism and democratic society.

The 4th Constitutional Government acknowledges the immediate priority of establishing a legal framework for the several media and social communication companies as well as their several contributors: reporters, photographers, cameramen and other technicians.

Regarding the Radio e Televisao de Timor-Leste (RTTL – Timor-Leste's Radio and Television System), the Government shall create the Statute of the company since the current regulation for the administration of the RTTL was created by UNTAET in 2000 and is absolutely unfit for the reality of the company and the country.

The new statute shall contemplate a public service concession contract between the State and RTTL which will enable the company to deliver a high-quality and role-model service while playing a relevant role in the dispersion of culture and the respect for viewer preference in all of its diversity.

The Government encourages the restructuring of RTTL's current board of directors, organizational chart and services, consequently enabling the radio and television companies to provide a modern service aimed at the quality of the final product.

The Government also encourages international interchange and the TV co-production with several

countries, especially with the Portuguese-speaking Community.

The Government shall encourage the development of contents for television so that the national TV is able to effectively promote citizenship and the education of all of the Timorese society by means of thematic TV programs, such as health, education, culture, history, etc.

In parallel to this effort, the Government shall legislate upon the public and private radio and television activity by providing for the implementation of private TV services, just as it currently happens with radio services.

The legislation that establishes the framework for radio activities shall dedicate special attention to private radio services, whether they are community/regional stations or, in the near future, national stations with regards to content and obligations before the State and the citizens.

The 4th Constitutional Government shall also create the Press Law in accordance with the requirements of modern times and the information society, while providing total compliance with the Constitution and contemplating the creation and operation of Timor-Leste's News Agency.

The Legislative package that refers to social communication shall still focus on the creation of a regulating entity for the sector, whether it is for press companies or reporters and, with regards to the media professionals, it shall produce legislative means that provides for their field of activity.

The Government encourages dignified and stable career for media professionals, bearing in mind the Regulation of the Reporter Labor Document and the career itself, as well as the creation of a Code of Conduct by means of interviews with the parties involved in the issue.

Although still incipient, the Government shall stimulate ethics and discipline in the marketing segment by means of the creation of specific legislation and the promotion and adoption of a Code of Conduct that dedicates the right value to such activity.

Chapter VII

National Defence and Foreign Policy

13. National Defence

According to the Constitution, this area is not the sole responsibility of the Government. The defence of the homeland integrity is an essential task for the assurance of the freedom and welfare of the population, thus ensuring stability and development of the country and listing National Defence as one of the fundamental pillars for the construction and viability of Timor-Leste.

In a broader sense, such definition, which presides over the principle of prediction of the possibility of suppression of the independence, requires the maintenance of the armed forces and security forces within the context of integral State strategy and among other structural actions in order to guarantee the national independence and the territorial integrity, in respect of the constitutional order, by means of our own capabilities or through eventual alliances in the name of national interests and a good relationship with our neighboring countries.

The state shall provide special efforts and resolve not only for the adoption of structuring political decisions regarding the legal framework and the conceptual definitions, but also in the fruition of the technical and operational issues of institutional character in the pursue of the Nation's objectives.

As with regards of the National Defence – as well as with the goal of Great Development Options – the Government shall implement the following structuring political decisions:

- Define the defense sector as a priority under an integrated perspective with a continental and

maritime primary guideline;

- Define the National Defence Policy and its legislative and conceptual framework while engaging the respective bodies of the State;
- Define an efficient program for the qualification and training of all members of the Armed Forces, according to their competences;
- Proceed with the review of the Legislation, such as the F-FDTL Organic Law and other regulations;
- Define an efficient program in order to equip the Armed Forces with the essential material resources for the development of their tasks, including the creation of tax-free, state- subsidized canteens initially in Dili, Baucau and Maliana.

As of the National Security and Defence Strategic Concept, the Government shall take the National Defence and Armed Forces Law into consideration in order to properly characterize the Generic Missions of the F-FDTL and conveniently regulate over their Specific Missions so as to design a structure and establish a methodology for the definition of the National Forces System and its Deployment Mechanism, as well as the material and human resources required for the accomplishment of their missions: the Government will have to create the required infrastructure for the military bases to be defined.

Take into account consideration that the Defence Forces – just as the experience in other countries demonstrates, and to which Timor-Leste shall be no exception – shall increasingly be requested to go beyond the call for their specific missions and engage in Public Interest Missions. Such reality makes the institutionalization of the Armed Forces a pressing issue.

Another not less important aspect component is the accomplishment of the international commitments that have been or come to be made in the global or local political context. The transformations recorded in the international political system have had inevitable implications to the position and the missions to be attributed to the Defence Forces, pulling them towards deep reforms that have naturally broadened their fields of action.

In fact, Defence Forces have started being organized as joint and combined forces under the legitimating shield of the mandates assigned by the international organizations in order to carry out – outside the national borders – the so-called New Missions, namely “crisis management”, “support to the maintenance of peace”, “humanitarians” and “cooperation” missions.

Such missions shall force us to promote adjustments in the qualification and re-equipment of the Defence Forces and, in general terms, they count on a high acceptance level by the public opinion, which increases the influence of all subsequent initiatives of the Government in the pursue of its goals regarding the foreign policy.

The Government proposes to designate the F-FDTL’s Chief of Defence Force , according to the rulings of the Law, assigning the legal competences which allow the preparation of the Force Planning doctrine for the creation, qualification/training and sustainability of the force so as to grant a new prominently operational dimension, thus enabling the force to hold a high level of efficiency on the accomplishment of the several tasks and responsibilities they are assigned, both at national and international levels;

The Government also proposes to equalize the salary levels of the Chief of Defence Force to that of a Minister and the Chief of Staff of the Armed Forces’ salary level to that of a Secretary of State.

The Government shall define an official policy regarding the procurement of weapons in order to avoid the illegal traffic of weapons so as to at least guarantee transparency in the sector.

Along the course of the current legislature, the Government shall encourage the rectification of the fundamental gaps that mold the institutional character of the Defence Forces and the Defence Sector,

from the recruitment of new soldiers to the situation of the older members of the forces.

14. Foreign Affairs

The Diplomacy Timor-Leste is summoned to develop must respond to the international reality of the new millennium and the internal imperatives while prizing the most favorable conditions available for a better local and global insertion.

Since the beginning of our sovereign State, we have cultivated a policy of friendship and cooperation with several countries, especially with those closer to us in geographical and historical terms, namely Australia, Indonesia and Portugal.

Bearing in mind our geographical insertion and historical background, the evolution of the Timorese economy is intrinsically linked to the economic evolution and political influence of the countries in the region, since Timor-Leste is located in an area of the globe that is strongly influenced by two continents.

In this context, the Government shall provide the continuity to the process of inclusion in the ASEAN and shall keep its participation in the Forum of the Pacific Islands and ACP, thus trying to broaden cooperation opportunities, especially economic ones, to the benefit of the people of Timor-Leste.

We shall not overlook the relationships we have maintained with several other countries around the globe which have deeply contributed to the physical and material restructuring of Timor-Leste, as well as to the consolidation of democracy. Such contribution has been manifested in several ways by means of financial and institutional support and the development of solid projects in Timorese territory. This Government shall therefore promote the maintenance of a close relationship achieved with several global giants such as China, Japan and the United States, but also with other countries who have demonstrated equal generosity with Timor-Leste, such as Cuba, Brazil, Korea, Thailand, Malaysia, the Philippines, New Zealand, Norway, Ireland, the United Kingdom and the European Community itself.

The Government shall contribute to the consolidation of solidarity, friendship and cooperation ties between the countries in the Portuguese-speaking Community which hold an expression of universality that favors our relationship with Africa, America and Europe.

The 4th Constitutional Government shall reinforce such friendship ties and promote an even stronger cooperation with the Governments of such countries, as well as encouraging cooperation policies with all other countries that are governed by the principles of mutual respect and non-interference in the internal affairs of each country.

The need to establish a balance between a serious, responsible, active and useful administration amidst the international community and the identification of priority targets for such administration is a requirement for small countries such as Timor-Leste.

Such requirement shall be taken into account as a key element for the definition of the Timorese diplomatic scope.

The Government shall guide its foreign policy in the consolidation of its current diplomatic and consulate network by broadening this structure based on Timor-Leste's interest in increasing its participation in important strategic forums – political, economic, regional and cultural – such as ASEAN, the Portuguese-speaking Community and the European Union.

The 4th Constitutional Government shall focus its administration to new promising economic areas regarding public support, foreign investment and human resources qualification, as well as global areas featuring a higher economic dynamism.

However, the special relationships that have been created with several countries in all continents along the course of 5 years of existence as a sovereign State are subject to particular attention for the Timorese diplomacy, holding the specific goals of strengthening and consolidating the cooperation with the traditional partners and finding new partnerships.

15. Foreign Cooperation

Timor-Leste shall be ready to properly face the new international cooperation models that are the result of an effort to reduce public support to development. The traditional cooperation models tend to fade away and yield to new partnerships aimed at mutually fruitful promotion of economies of donor and recipient countries.

The image that Timor-Leste casts upon the rest of the world will be crucial in determining the cooperation influxes that can be mobilized.

The promotion of the cultural richness that is resulting from the diversity of the Timorese people shall particularly contribute to the reinforcement of Timor-Leste's identity in the area we are inserted as well as all over the world by opening important channels of international sympathy and solidarity.

The Government is engaged in the promotion of a culture of peace, dialogue and national reconciliation and the creation of an image of good management and correct application of resources regarding the Rule of Law and the guarantee of independence of the Courts as vital instruments for the consolidation of our young democracy, and we are aware that these are the goals our cooperation partners shall bear in mind when providing support to Timor-Leste.

The special support of the United Nations, an organization that convenes several countries in the international community, has been crucial for the consolidation of Timor-Leste. This organization, which has never forgotten the Timorese cause, has been in the country since 1999 and has dedicated to our causes since then by providing specific support according to the most pressing needs in the country. This Government shall remain as an active presence in the United Nations and promote the multilateral cooperation with the several agencies in the United Nations system.

Bilateral cooperation agencies, which are the result of friendly international relationships, have also provided solid support in order to meet the real needs of the Timorese people, materialized by means of material projects, moral support and demonstrations of friendship and fraternity. This Government is committed to promoting new partnerships for the development of Timor-Leste and to make all necessary efforts – within its reciprocation capabilities – in order to participate in the development of our friendly countries.

We shall also stimulate the continued participation of the international non-governmental organizations that have had a crucial role in our country, mostly in the support to the basic needs of the population.

url: <http://timor-leste.gov.tl?lang=en&p=16>