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**PROGRAM OF THE FIFTH CONSTITUTIONAL
GOVERNMENT**

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Preamble

On 7 July 2012, the Timorese people, voting in free and democratic elections, supported three parties to govern Timor-Leste from 2012 to 2017.

This result allows the Fifth Constitutional Government to continue to build on the foundations of a peaceful and stable nation that were laid down by the Fourth Constitutional Government.

Freedom and democracy were once again victorious in the election process, demonstrating the maturity of the Timorese people as they exercised their sovereign rights. Our Coalition Government commits to respect these noble ideals and vows to govern in dialogue, through national consensus, and implement a strategic development agenda in which all citizens participate.

The Fifth Constitutional Government will rely on the trust and cooperation of all participants in our society to consolidate peace and stability and to move towards progress and general wellbeing.

Civil society organisations, the church and other religions groups, political parties, non-government organisations, the private sector, our State institutions, all our men and women, including young people and our senior citizens, are an integral and vital part of the process to develop the young Timorese Nation, and are called upon to take an active part in implementing the strategic agenda for the country over the next five years.

Our **philosophy** is that the Fifth Constitutional Government is a continuation of the Fourth Constitutional Government, that is, it is charged with continuing to implement the successful programs and reforms of the previous Government. We will also continue to improve our actions and work systems, and fine-tune our methodologies and the operation of administration and management.

As the very word suggests, continuity will be reflected in the pursuance of on-going programs and of programs to be started.

Continuity also reflects the need to give shape and content to the programs established in the *Strategic Development Plan 2011-2030*.

As such, the organic structure of the Fifth Constitutional Government is based on the philosophy of the continuity of the progress we have made and to lead the public administration towards goals of efficiency and effectiveness in delivering services to the people and reporting to the State.

Our **political behaviour** is guided by the values of civic and human rights, tolerance, peace, dialogue and respect.

Our **governance** is guided by the principles of inclusion and obedience to the law by all.

Our **vision** is that of a Nation that is prosperous, healthy, educated and skilled, with broad access to essential goods and services, and where production and employment in all sectors corresponds to that of an emerging economy.

Our **goal** is to create opportunities for all, in a fair and inclusive manner, to enable the growth of a dynamic and innovating economy.

1. Timor-Leste Towards Development

1.1 Overview

Since becoming independent, in 2002, Timor-Leste has achieved remarkable progress, being considered a “success case” within post-conflict developing countries.

Throughout the last decade, social and economic policies have sought to reduce poverty among our people, to consolidate the security and stability of the Nation and to build and strengthen State institutions.

The ongoing processes of peace building and State building have been vital to meet the needs of our people in the areas of health, education and the eradication of extreme poverty. This has proved to be the right approach, as Timor-Leste succeeded in becoming a safe country in under a decade, when most post conflict countries tend to take 10 to 15 years or more to restore stability.

Today Timor-Leste benefits from peace, stability and a clearly growing economy. All these features are gradually being reflected in the overall improvement of the people’s wellbeing.

During the last four years we have had two-figure economic growth and we have implemented structural reforms in terms of State management and administration. At the same time we have initiated considerable investments in the economy, including the development of the petroleum sector.

Despite this progress, there is still much to be done. Timor-Leste still faces significant challenges, particularly in relation to the delivery of quality services, the lack of basic infrastructure and unemployment. All these challenges must be overcome in order for our nation to be able to systematically reduce poverty.

The Government Program is this Government’s method for structuring ideas and ideals. It contains a socioeconomic political philosophy that aims to deliver better living conditions to the entire Timorese population as soon as possible. This philosophy can be described as follows:

peaceful nation by 2030.

The will of the Timorese people is the most decisive factor for the successful implementation of these development strategies.

1.2 Current Scenario

In the short time since becoming an independent and sovereign Nation, Timor-Leste has been establishing the foundations for a stable and safe State and for a strong economy. In order to create jobs for the people and to ensure that the entire country benefits from the wealth flowing from natural resources, it is necessary to develop a vibrant market economy, with a strong and diversified private sector.

In the last few years the Fourth Constitutional Government reformed and strengthened public institutions, improved service delivery in areas such as health, education and security, and built key infrastructure.

After solving the 2006 crisis, which lasted up to 2008, and upon ensuring stability, the Government directed special recognition programs to our National Heroes, the veterans, who were living in conditions of extreme poverty, in order to improve their economic position. Social justice measures also targeted the elderly and disabled, as well as the widows and orphans of those who sacrificed themselves so that Timor-Leste could become independent.

Efforts were also made to create regulatory frameworks for institutions that are vital to good governance, such as the Civil Service Commission and the Anti-Corruption Commission. The Government also developed systems for improving public financial management and service delivery. The Government launched the Transparency, Procurement, Aid and Results Portals, which, while still at an early stage, already enable citizens to monitor Government use of public financial resources.

The Government developed an Integrated Basic Infrastructure Plan to enable the development of the country's productive sectors, covering the improvement of telecommunications, ports, airports, roads, bridges, drainage and the provision of drinking water.

The Government also focused on providing electricity, including the use of alternative power sources. This included investing in the largest ever program in Timor-Leste, the building of the National Power Grid, which will allow all Timorese to benefit from the generation and distribution of electricity by the end of the year, with power lines forming a ring around the country.

We started to develop the South Coast of the country, including the development of a Supply Base, a Refinery and a Pipeline for the petroleum and gas sector and associated basic infrastructure.

Over the last few years also the private sector, which had previously been embryonic and limited, also developed strongly. The Government focused on building the capacity of the private sector and on providing a better business environment through a more attractive and simplified regulatory framework.

As a result of these efforts, Timor-Leste achieved very high levels of economic growth, which meant more jobs and opportunities for the people. We have averaged double digit growth rates since 2007, with Timor-Leste registering one of the fastest rates of economic growth in the world

These growth rates are even more remarkable if we take into account that they took place at a time when the Government was also managing the impact of the Global Food Price Crisis (2008-2010) and of the Global Financial Crisis (2008-2012).

At the end of 2011, the economy was almost twice the size that it was in 2006, and it continues to grow. A growing economy means more jobs and more economic opportunities for our people.

It is estimated that the world economy grew almost 5% during 2011, which means that Timor-Leste grew twice as much as the rest of the world. In 2009, when the world economy shrank by almost 1%, the economy of Timor-Leste grew more than 12%.

The use of electricity is a good indication that the economy is growing. The use of electricity in Dili has been growing substantially every year since 2007 and should grow even more in 2011 and 2012, as more power is generated as a result of the major investments in electrical infrastructure by the previous Government.

Timor-Leste is highly dependent on petroleum revenue. Fortunately this revenue has been growing steadily, leading to increasing Petroleum Fund balances. The Constitution of Timor-Leste requires that petroleum resources are used in a fair and equitable manner, in accordance with the national interest, and that these funds lead to the establishment of mandatory financial reserves. The Petroleum Fund was set up in 2005 to respond to this constitutional requirement and to ensure that petroleum and gas resources are managed soundly and in a way that benefits current and future generations.

The Petroleum Fund provides a way of creating a stable and consistent source of revenue that can be used to build the Nation. In its early years, the Petroleum Fund adopted a very conservative investment strategy, which consisted mainly in investing in US Treasury bonds. This strategy proved to be very effective during the Global Financial Crisis, with the Petroleum Fund of Timor-Leste being one of the best performing sovereign wealth funds in the world. The current investment strategy involves adopting a more balanced and diversified portfolio, including international bonds and stocks, in order to ensure the diversification and protection of the fund and to enable growth.

When the Central Bank started to operate the Petroleum Fund, in September 2005, it had an initial balance of 205 million dollars. Now the Petroleum Fund has over 10 billion dollars invested and is growing every day.

The economic strategies and actions in the *Strategic Development Plan 2011-2030* seek to achieve structural change in our economy. The Plan includes actions to develop our human resources through education and training, to provide capital to the private sector through the National Development Bank, to improve the business environment through regulatory reforms and to focus on the development of strategic industries.

2. Development of Social Capital

The Government recognises that the true wealth of any nation is in the strength of its people. Maximising the overall health, education and quality of life of the Timorese people is central to building a fair and progressive society.

2.1 Health

Good health is essential for quality of life. The Government will ensure that the people of Timor-Leste have access to good health care, nutritious food, clean drinking water and good sanitation.

For most families in Timor-Leste, their first contact with the health system is through primary health care services provided through the District Health Service structure that includes Mobile Clinics, Health Posts and Community Health Centres. Community based activities consist of Integrated Community Health Services (SISCa) in all villages and sucos, as well as mobile services conducted at other sites such as schools and markets and remote areas.

Over the next five years the Government will ensure that sucos with populations of 1,500 to 2,000 people located in very remote areas will be serviced by Health Posts delivering a comprehensive package of services including basic curative services, immunisation programs, maternal and child health care, delivery of nutrition programs, tuberculosis follow-up, mental health care support, and health promotion and education. We will begin to deliver on our commitment that villages more than one hour walking distance from a Health Post will have a local village midwife who has been trained by the Ministry of Health. Midwives will be provided with health kits, transportation and incentives in their terms and conditions of engagement to remain resident in villages for at least three years.

According to the Strategic Plan for the Health Sector in 2011-2030, in the medium to long term, the Government will develop the necessary human resources so that there will be at least one doctor, two nurses, two midwives and a laboratory technician in every suco with at least 2,000 people. The SISCa program is to be fully implemented in every suco.

The Government will ensure that the National Hospital Guido Valadares is able to start providing specialised and sub-specialised care. In time, the National Hospital will also support the delivery of health services throughout the country. We will start to plan the creation of a Specialist Hospital in Díli, in order to reduce the need for cancer, and other patients requiring specialist treatment, to travel overseas.

The Government will also introduce and implement new legislation to regulate the delivery of health services by private providers and the not-for-profit sector so that they are required to comply with regulations applying to the public health care system.

The private health sector will be an integral part of the national health system. The Government will encourage public and private partnerships where they are constructive and mutually complementary. We will also establish appropriate occupational health and safety standards and other compliance regimes.

Pharmacies and other non-specialised retail shops that currently sell medicines to the public, often without a prescription, will be regulated to ensure appropriate standards are met.

The Government will also strengthen the health system by developing capacity in institutions that support health service management and training and the facilitation of quality care, including the provision of essential medication, referral and emergency systems in humanitarian crises, diagnosis systems, blood supply systems (blood bank) and the Health Science Institute.

The Government will focus on improving maternal and child health by increasing access to high quality pre-natal, delivery, post-natal and family planning health services and improving emergency obstetric care through the recognition, early detection and management of obstetric complications at the community and referral level.

In order to lower child mortality in our country we will improve, expand and maintain the coverage of preventive and curative services to newborns, babies and children. We will continue programs to seek maximum vaccination of children against polio, measles, tuberculosis, diphtheria and hepatitis B. The Government will continue to support programs to raise awareness of HIV / AIDS, malaria and other vector borne diseases, as well as to eliminate lymphatic filariasis and soil-transmitted infections in Timor-Leste.

Improved nutrition will also be a priority. Proper nutrition during the first years of life is essential for the physical and mental development of the child. Strategies to promote the diversity and consumption of locally produced food, improved mother and child nutrition care practices, improved access to and quality of nutrition services at health facilities and in the community, and nutrition behaviour change programs will be expanded.

The Government will provide a proper response to the health needs of our elderly and disabled people, as well as of those with mental health disorders, by adopting strategies to deal with the increase in chronic diseases, such as cardiac diseases, by way of introducing innovative approaches to disease management, health promotion and prevention of disease in the community.

We will also adopt several strategies to improve mental health services in Timor-Leste, including the improvement of access to health facilities and treatment for all persons with mental illnesses or epilepsy, provision of proper facilities in referral hospitals for mental health patients, gradual introduction of a broad multidisciplinary team of psychiatrists and other specialised technicians, and improvement of society's awareness and understanding in relation to mental illnesses.

We will provide better access to quality age-friendly and old age-specific health services, with a focus on improving the skills of primary health care providers and introducing community service models, such as home care programs. We will also establish an Early Detection of Disability Protocol for children.

We will ensure that Timor-Leste has adequate and appropriate human resources to provide the health services that our people need by strengthening the quality of training and education to meet the needs of our health sector and developing continuing education and in service training programs.

In addition, the Government will develop and deliver programs to improve human resource management across our health sector, including workforce planning, equitable recruitment strategies, the development and distribution of an appropriate skills mix and the retention of workers through appropriate incentives and opportunities. Standards and codes of conduct and ethical practices for health care professionals will be developed to ensure that we have a professional health workforce.

Additionally, we will provide the necessary infrastructure to enable the provision of better health services to the entire population of Timor-Leste, which will entail refurbishing and constructing Health Posts, including housing for staff, the refurbishing and expansion of Community Health Centres and the improvement and expansion of the National Hospital and of the five referral hospitals.

Finally, the Government will seek to improve the provision and maintenance of appropriate transport services, and in particular ambulances, and proper communication systems (including connection by telephone, radio and Internet) to enable the prompt referral of patients and administrative data.

2.2 Education

The provision of quality education and training is necessary to improve the life opportunities of our people and to allow our children to reach their full potential. It is also vital for Timor-Leste's social development and economic growth.

Over the next five years, the Government will ensure that all children attend school and receive a quality education that gives them the knowledge and skills to lead healthy, productive lives and to actively contribute to our Nation's development. To achieve these goals the Government will expand investment in our education system to ensure that we have the infrastructure and teaching workforce needed to enable all children to have access to high quality education regardless of where they live in Timor-Leste.

2.2.1 Pre-school education

Pre-school attendance gives children substantial advantages in their later education, however rates of attendance in Timor-Leste are very low. To ensure that Timorese children get a strong start in their education, the Government will expand and improve pre-school services to provide comprehensive early childhood care and education, especially for our most vulnerable and disadvantaged children. A new educational curriculum and a uniform pedagogic guidance program will be implemented which has the flexibility to respond to the needs of individual schools. It is important to focus teaching and learning on the identified needs and on the best practice in terms of child development programs.

Over the next five years the Government will build at least 250 new pre-schools and refurbish all presently degraded classrooms, so that there are a sufficient number of classrooms in every geographic area of the country. All new schools and classrooms will be properly equipped.

The Government will also develop broad theoretical and practical training programs for pre-school teachers, who will be trained in pedagogic methodologies that are appropriate to pre-school education. Consequently, the Government will ensure that at least half of all Timorese children from three to five years old receive quality pre-school education.

In order to improve access to education and to ensure that children have a sound basis of literacy and numeracy, local languages may be used as teaching and learning languages, thereby enabling a smooth transition to mastering the official languages of Timor-Leste.

2.2.2 Basic education

Since 1999 Timor-Leste has made great efforts in terms of improving basic education, which currently encompasses the first nine years of schooling. Timor-Leste achieved considerable progress, particularly in relation to training teachers and building schools.

Many challenges remain, however, which include children starting school when they are too old, children dropping out of school, children taking too many years to complete their basic education and girls dropping out of school at a higher rate than boys. Rapid population growth will also create significant future demand for more teachers, classrooms and education spending.

The Government will continue to strengthen the system to provide universal access and will ensure the completion of quality basic education by all children.

Over the next 5 years the Government will work to ensure:

- The enrolment of all children in the first year of basic education at the proper age.
- The reduction of school dropouts, which currently stand at 70%, and the completion of basic education within the designated time, that is having all children graduate after 9 years of schooling (currently children take an average of 11.2 years to complete grade 6).
- Introduction of the recommendations of the “Multilanguage Education Policy based on the Maternal Languages of Timor-Leste”, in order for children to acquire the minimum literacy and numeracy skills, in the cases where language is an obstacle to learning and to success at school. This should enable a more active participation by students and provide a systematic transition towards the learning of the official languages.
- A radical improvement in the quality of the education system, including an improvement in the training of teachers.
- The provision of the required school buildings and facilities proportional to, the increase in the number of school-aged children.
- The development and implementation of a modern and pedagogically adequate school curriculum.
- The provision of quality teaching and learning materials to all teachers and students.
- The development of a new and decentralised school management system ensuring the efficient, affordable and sustainable provision of quality education. This new approach will include administrative, financial, academic, logistic and human resource aspects, as well as the involvement of teachers, parents and students.

2.2.3 Secondary education

The Government will ensure that all students graduating from basic education have access to secondary education. This will involve expanding access to secondary education, providing adequate infrastructure, training qualified teachers in secondary schools and adopting proper curricula to respond to the country's development needs. This will ensure better access to the labour market and greater encouragement to students to move up to higher education.

Secondary education in Timor-Leste is divided into general secondary schools and technical secondary schools. General secondary education seeks to prepare students to enter higher education, while technical secondary education seeks to prepare students to enter the job market as well as access to technical higher education and to university education.

To achieve these education goals the Government will:

- dramatically increase enrollments and transform and expand the current secondary education system across the country, particularly in remote and regional areas
- implement an infrastructure program to build modern schools to handle and teach larger numbers of students and start a program of Training Excellence Centres in several regions, in the fields of economics, agriculture and engineering, as well as with courses related with the service sector, including tourism and hospitality
- develop a new curriculum which provides skills and knowledge to serve the needs of our students and the labour market and the development needs of our nation including the promotion communication skills and critical thinking ability, and
- improve the quality of teaching with comprehensive teacher training and qualification requirements.

2.2.4 Higher education

A stronger education sector is vital for us to build our human resources and to ensure our national development. The Government will promote an efficient polytechnic and university sector in order to provide our children with the opportunity to receive quality education and to take part in the building of our country.

To achieve this goal over the next five years, the Government will:

- implement a strong quality assurance regulatory system with the registration of all national qualifications into the National Qualifications Framework

- continue to develop the national quality assurance body, the National Agency for Academic Assessment and Accreditation
- develop partnerships with world class international higher education institutions and encourage efforts to coordinate international support
- develop an efficient administrative system to coordinate higher education and to establish priority goals and budgets
- establish Polytechnic Institutes, including one for each of our strategic industry sectors, including the Engineering Polytechnic of Suai, the Polytechnic for the service industry in Lospalos, an Agriculture Polytechnic on the south coast and a Fishing Academy on the north coast
- expand the UNTL to consist of seven faculties: Agriculture; Engineering, Science and Technology; Medicine and Health Sciences; Economy and Management; Education, Arts and Humanities; Law; and Social Science.
- continue with the expansion of the UNTL so that in the medium term it consists of seven faculties: Agriculture; Engineering, Science and Technology; Medicine and Health Science; Economics and Management; Education, Arts and Humanity; Law; and Social Sciences
- create a modern compound for the Faculty of Engineering, in Hera, in order to support the vital area of training in engineering
- create a National Science and Technology Institute to carry out investigations and research involving applied sciences.

2.2.5 Recurrent and lifelong learning

Recurrent education is for people who are above school age who did not have opportunities for education. It incorporates the national literacy campaign program, post-literacy courses and basic education and equivalency programs.

The Government will work to eliminate illiteracy by 2015 which will be achieved, in part, through increasing the capacity of our existing national literacy programs. The Government will also enhance the National Equivalence Program with the establishment of 65 Community Learning Centres (one in each sub-district).

2.3 Education and Professional Training

Increasing the vocational skills of our people is critical to our nation's social and economic development and will raise the standard of living and create jobs for Timorese people.

Timor-Leste currently faces critical human resource constraints in businesses, in services such as health and education, and in government administration. Timor-Leste must address this skills shortage and provide everyone – young, unemployed, women and people in the districts - with the skills to secure a job and contribute to our nation-building. It is particularly important that we provide women with an equal opportunity to

undertake vocational education and training and to allow them to enter the labour market and contribute to the development of our nation.

These skills are vital to achieve our goal of facilitating access for all Timorese to the labour market, to increased per capita income and to the possibility of being actively involved in the national building process. It is particularly important to give women equal opportunities in terms of education and professional training, as well as to enable them to enter the work market and to contribute to the development of the Nation.

We have already made significant progress in building a modern training system. We have a National Qualifications Framework that provides qualifications for accredited training and we are building Government and industry training sub-Commissions in every major industry. A new Timor-Leste Technical and Vocational Education and Training Plan has been endorsed to guide the development of this sector. This developing training system will give our people the skills to take up job opportunities in the expanding petroleum, tourism, agriculture and construction industries. New training will also help people in towns and districts to start new enterprises and businesses.

To continue to build on these good foundations, our training system will be given more resources to train a skilled workforce and increase employment.

The Government will provide the necessary leadership on the development of our country's skills and take action in a number of key areas including:

- Establishing a national traineeship system with the support of the new National Council for Skills, Employment and Productivity that will place students in accredited training with businesses and establish a training wage for participating businesses
- Support for a training system that encourages the delivery of quality training from government, industry, community and non-government accredited providers
- Expanding the national qualifications standards to include all major occupations and provide national curricula and materials for all registered training programs.

2.3.1 National training commitment

The Government will implement the National Training Commitment, approved by Parliament, which will ensure that, by the end of 2015, 50% of all school graduates who do not enter work or continue with education after completing school will be offered a funded accredited training program.

The program will commence in 2013 with 2,500 training places to provide a pathway for students requiring training to enter the labour market or create their own businesses.

The Government will ensure that women and men are provided with equal access to this training.

The National Training Commitment will be provided in two streams:

- The National Training Ticket will provide fully funded training for one year and be delivered by an accredited training organisation in a classroom or workshop setting. Students may also be placed with a local business to undertake unpaid work experience.
- The National Traineeship Program will provide students with a combination of training centre and industry training and experience. This will introduce a formal arrangement for on-the-job training to Timorese industry and create an entry into vocational training and employment for Timorese students. All students graduating successfully from the National Traineeship Program will obtain a national qualification certificate.

2.3.2 National labour content policy

The Government will implement a National Labour Content policy to establish requirements for the employment and training of Timorese people in national projects. The Government will also establish tax incentives for businesses making approved investments in training.

The National Labour Content policy will require all major new businesses to ensure that a minimum percentage of the value of labour in all major projects in Timor-Leste is dedicated to the employment or accredited training of citizens of Timor-Leste. Timor-Leste will continue to welcome international businesses as partners in the development of our nation and the National Labour Content Policy will set clear and equal ground-rules for all our partners.

The policy will apply to international businesses operating in Timor-Leste and to all government contracts. This policy will be implemented following consultation with the Timor-Leste Chamber of Commerce and Industry, the National Council for Skills, Employment and Productivity and civil society.

The Government will promote the development of, and compliance with, the rules concerning working conditions, prevention of occupational risks and the protection of employment through the Inspectorate-General of Labour, which is responsible for regulating the labour market and promoting employee rights and the improvement in working conditions

As such, the Government will seek to strengthen and improve the resolution of labour disputes that may arise from individual and collective labour relations through mediation and conciliation mechanisms, in strict compliance with the principles of impartiality, independence, expeditious resolution and justice.

2.3.3 Investing in qualified trainers, national training materials and training facilities

The Learning Resource Development Centre is already working to raise professional standards of trainers and provide teaching and learning materials to accredited training providers, including Technical High Schools and Polytechnics.

Meeting our country's training needs over the next 20 years, and implementing the Timor-Leste National Training Commitment, will require training facilities and infrastructure for use by public and private registered training organisations. We will also require modern training materials and skilled trainers.

The Government will increase its investment in teaching and learning facilities, as well as in human resources, so as to be able to achieve the goal of providing skilled training. As soon as possible, the Government intends to use optic fibre (installed along power lines) to ensure the 'E-Education' system, which will accelerate youth training. This will include:

- Development qualified and professional trainers
- Building education and professional training facilities
- Development of curricula relevant to the needs students, industry and the country
- Establishment of a Petroleum and Gas Training Centre
- Embedding training as a core activity of businesses, and
- Linking local economic development and local businesses to training services.

2.3.4 District needs and district skill centres

It is important that all Timorese have the opportunity to develop their skills and that all districts provide access to skills and training centres to enable the development of the local economy. The Government will undertake an analysis of the skills needs of each district for economic and social development which will guide the establishment of Government and non-Government district skills centres to deliver accredited training.

As well as providing accredited training, these centres will encourage youth to enter the labour market, provide career guidance and vocational advice, make referrals to training providers, support women entering the labour market, implement employment programs and promote self-employment by developing entrepreneurship and teaching business skills.

2.3.5 International Guest Work Programs

Timor-Leste has been entering into international partnerships to enable Timorese to participate in international guest worker programs. South Korea and Australia are currently offering successful programs. These programs provide invaluable international experience and training to young Timorese women and men as well as providing significant income for the participants and their families.

The Government will continue to provide extensive support to these initiatives and work to expand existing programs and to develop new ones. This will include providing best practice recruitment of participants and extensive pre-departure training to ensure that Timorese workers are able to make the most of these international opportunities and then come back to Timor-Leste to support the development of our strategic industries.

2.4 Social Inclusion

Assisting the poor and vulnerable members of our society is an important Government obligation. Subsidies, transfer payments and in-kind support to our most vulnerable people help alleviate poverty, but are mostly an issue of social justice.

Access to education and employment in the longer term are the key to economic independence for the most vulnerable members of our society.

The Government will continue to support our children, women at risk of abuse, poor families, the elderly, veterans and victims of natural disasters. Over the next five years we will focus on supporting female-headed poor households, our veterans and the elderly and disabled.

2.4.1 Social security and retirement incomes

The Government will adapt the current transitional regime for social security into a permanent regime that will guarantee the basic social protection needs of civil servants and their dependent family members. This regime will be expanded into a universal contributory social security system to ensure that all workers and dependent family members – in both the public and the private sectors – are guaranteed a pension in case of retirement, disability or death.

2.4.2 Gender equality

The Government will enhance its commitment to gender equality between men and women in all spheres of life. Gender equality is guaranteed in our Constitution and must be a central consideration of all Government programs and decision making.

The empowerment of women depends on the government leading the necessary collaboration between the organs of sovereignty, civil society, religious organisations, NGOs and the community.

We will continue our endeavours to ensure implementation of the Beijing Platform for Action and CEDAW to guarantee equal rights to women and girls, alleviating women's poverty, addressing women's health and education discrimination and eradicating domestic violence.

Gender equality will become a cornerstone issue because addressing gender equality is a whole of government task that requires collaboration and cohesion between the security, health and education sectors, the Civil Service Commission, the judicial sector and other ministries and agencies. The Government will ensure that gender equality will be encompassed into initiatives, meetings and planning across government administration.

The Gender Integrated Approach has provided gender representation in all government agencies dedicated to national development. However, the Government intends to provide even more focus to the issue of gender in key ministries, such as the Ministry of Agriculture and Fisheries, the Ministry of Health, the Ministry of Education and the Ministry of Justice, relying on support by the Secretary of State for the Promotion of Equality, which will continue to promote regular meetings between the gender working group at the national and district levels and in each State agency.

The Gender Integrated Approach will also be considered when setting national priorities, implementing the *Strategic Development Plan 2011-2030*, allocating funds in the Stage General Budget and monitoring activities implemented by line ministries.

2.4.3 Gender based violence

Gender based violence is unacceptable in a free and tolerant society and the Government will take strong action to address this problem. With gender based violence being the most common form of violence reported to the police, the implementation of a comprehensive policing agenda including training for police officers on how to protect, prevent and assist will be a Government priority. The Government will increase efforts to provide counselling for victims of domestic violence, expand the capacity for perpetrators to be prosecuted in the justice system and expand health and human services to protect victims.

The Government will expand the number of support centres for victims of gender based violence in the entire country, which will be able to provide the necessary care and support. The Government will also increase training and information sessions for Heads of Suco and Heads of Village, in collaboration with the National Police of Timor-Leste.

The Government will also promote public information campaigns in each of the 13 Districts, disseminating messages about the Zero Tolerance Policy for violence against girls in schools and in homes. The Government will continue to promote the 'Safe Home' concept, particularly for girls in rural areas.

The Secretary of State for the Promotion of Equality will act in order to strengthen the implementation of the Domestic Violence Law, including the socialisation of the law and the implementation of the 2012-2014 National Action Plan on gender based violence and domestic violence.

2.4.4 Public information

The new Government website will be developed to provide public information campaigns, in local languages, about domestic violence, nutrition and education for girls.

The Government will also continue promoting gender awareness programs and public debates in the media, namely on community radio and on TVTL.

The Government will continue to promote the employment of women in the civil service and will task the Civil Service Commission with ensuring that gender equality is upheld.

Funding will be provided through the Ministry of Agriculture to train women in rural areas to improve their nutrition and the nutrition of their families as well as improving production to increase incomes. The expanded and permanent social security mechanism will provide for economic assistance to female-headed households.

Reproductive health programs will be scaled-up and expanded and 'gender friendly' curricula will be introduced at all levels of the public education system.

2.4.5 Vulnerable children

The Government will continue to protect our vulnerable children, developing strategies to ensure that Timorese children are protected against violence, neglect and abuse. It will also continue forward with the development of the "Bolsa de Mãe" Program.

In order to do this, the Government will strengthen referral mechanisms and systems to implement the Child Protection Policy, including the establishment of efficient monitoring and evaluation systems for protecting children.

We will continue providing education programs to – families, neighbours, schools, churches and other service providers – on the rights of children and the concept of 'Safe Home', particularly in relation to girls and children with disabilities. The Government will also take measures to eradicate practises that violate the rights of children, such as

early marriages, child labour and other types of exploitation, including domestic violence, sexual abuse, trafficking and neglect.

The Government will also continue investing in the rehabilitation of street children and set up a free, 24-hour a day, seven days a week, 'child line' to report child abuse, as well as implement the Law on Orphan Care and Adoption.

2.4.6 Youth and Sports

Timor-Leste's young people are our Nation's future leaders. They, both boys and girls, will re-shape Timor-Leste and contribute to the transformation of our society and economy. We must do all we can to support our youth and provide them with the opportunities they need to gain the experiences, skills and values to participate fully in our Nation's future.

Timor-Leste is a young Nation: over 60 per cent of the population is under 25 years old. Our young people experience high rates of unemployment and many that do have work are engaged in unskilled jobs or precarious employment situations. In today's globally connected society our young people are aware of the opportunities in the world and many feel they are missing out on these opportunities. Young people are the major focus of the Government's education and vocational training programs, however, the Government recognises there is a need to do more.

Over the next five years the Government will prioritise support for young people. We will establish a Youth Fund, support the establishment of Youth Associations and we will build a National Youth Centre in Díli. We will also build Multipurpose Youth Centres to provide training in art, music, sports and civic education.

We will also implement a Timor-Leste Youth and Sport Strategic Plan, which will promote sport as a way to support character building and advance the values of cooperation, fitness and team work. The plan will focus on developing sport as an important part of young people's lives, engaging them in social relationships, dialogue, tolerance, ethics and democratic values. The plan will also use sporting activities as a basis to engage young people in education and training activities.

More broadly, the Government recognises the power of sport to bring people together: from grassroots activities in villages through to national and international sporting events. While supporting local sporting activities, the Government will also encourage and promote physical education and educational sport, as well as encourage and promote the creation of teams in the districts in a number of sports, with the aim of supporting the development of a strong national identity for Timor-Leste. The Government will also continue promoting sport facilities and equipment in the districts.

2.4.7 Veterans

The Government will continue to honour the past and our national heroes. It is important to the dignity of our nation that our veterans are provided with the respect and the support that they rightfully deserve. In order to do this, and as soon as possible, the Government proposes to establish Veteran Councils in the districts, so as to safeguard the credibility of the verification and validation of the registration process and the finalisation of the appealed and contested processes. This will require the participation of former resistance members and the non-politicisation of veterans' issues.

The Government will ensure that veterans will be supported by the permanent regime of social security. We will honour their contributions to our independence with the Timorese Resistance Archive and Museum and the Metinaro Garden of Heroes. We will create a system of allocation of scholarships to children of Martyrs and Combatants of the National Liberation, giving priority to underprivileged families. Importantly, the Government will provide support to ensure that the story of our national liberation will be preserved.

2.5 Environment

Now that the foundations of a democratic State under the rule of law have been established, defending social justice for citizens, the Government will implement a range of strategies to meet the Nation's obligations under the Constitution to protect our environment and ensure that Timor-Leste's environmental resources are sustainably managed.

The Government will continue to be guided by the 2002 World Conservation and Environmental Development Conference's definition of sustainability: that '*sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs*'. Sustainable development involves a shared focus on economic development, environmental sustainability and social inclusion obviously supported by good governance.

Our ancestors lived in harmony with the environment using it sustainably to support our families. The Government will draw on the strong bond between the Timorese people and the natural environment to ensure that the economy grows in harmony with the natural environment, which will entail traditional practises like "tarabando" in every village. The Government aims to make Timor-Leste an international model for sustainable development. This effort will start in our schools, where students will be taught about the importance of the protection and conservation of the environment. This will give students a better understanding of the environment and they, in turn, will pass this understanding on to their children.

2.5.1 Climate change

The Government acknowledges that Timor-Leste's contribution to the climate change problem is minimal, however, we also understand that we are affected by the pollution created by the economic and industrial powers. This means that we have to work cooperatively with the rest of the world to reduce emissions.

Timor-Leste is vulnerable to climate change and our climate may become hotter and drier in the dry season and increasingly variable. Three natural resources – water, soil, and the coastal zone – are susceptible to changes in climate and sea level rises. Coral reefs are also very sensitive to changes in water temperature and chemical composition. These changes could have consequences for agricultural production, food security and our tourism industry, and increase the risk of natural disasters caused by flooding, drought or landslides.

The Government will establish a National Climate Change Centre to conduct research and observation on climate change issues, to ensure data on climate change impacts is being collected and to encourage technology innovation to address climate change adaptation and mitigation.

2.5.2 Forests and land and sea conservation zones

The Government will prepare a Forestry Management Plan to promote reforestation and sustainable land management practices in Timor-Leste. Community-based nurseries will be supported to plant one million trees a year. A National Bamboo Policy and Marketing Strategy will be prepared that will include the promotion of bamboo cultivation for reforestation and erosion control purposes.

Natural conservation zones, or national parks, aim to protect ecosystems by limiting commercial activity; however, research and education, as well as cultural, tourism and recreation activities are permitted. Timor-Leste's first protected area is Nino Konis Santana National Park, which will be a centrepiece of Timor-Leste's tourism strategy. Areas that are sites of international importance for birds have also been identified in Timor-Leste and will be protected.

Other areas the Government will protect in conservation zones are: Tilomar, Ramelau, Fatumasin, Atauro Island – Manucoco, Matebian, Kablake, Builo, Clere River, Lore, Paitchao Mountain and Iralalero Lake, Jaco Island, Diatuto Mountain, Be Male – Atabae, Maubara, MakFahik and Sarim Mountain, Tasitolu, Areia Branca Coast, Curi Mountain and the Irebere and Iliomar Estuary.

To protect and conserve marine biodiversity and our beautiful coral reefs, the Government will continue to work with Indonesia and other governments in the region that have signed up to the Coral Triangle Initiative to safeguard the region's marine and

coastal biological resources for sustainable growth and the prosperity of current and future generations.

A policy for managing watershed areas and coastal zones will be developed that will include strategies to rehabilitate and protect mangroves in coastal areas, regulate sand exploration in various rivers, especially the Comoro River, and to create buffer zones on river banks and around dams, lakes and coastlines to aid water resource conservation and floodplain control.

The Government will also improve sustainable land management, conserve and rehabilitate forests, and develop sustainable forestry practices by way of means such as:

- Introducing special forestry legislation backed by improved land tenure arrangements
- Undertaking reforestation in all degraded areas, especially in sloping areas surrounding Dili
- Introducing programs to reduce forest or grass burning practices during the dry season
- Replacing firewood use with other energy sources, and
- Enforcing environmental laws and forest laws to control forest degrading activities.

2.5.3 Biodiversity

To address the threats to Timor-Leste's biodiversity, the Fourth Constitutional Government approved the National Biodiversity Strategy and Action Plan. The Strategy assesses the threats to both marine and land biodiversity in the country and identifies possible incentives to conserve them. The focus is on preventing biodiversity loss and ensuring that Timor-Leste's biological resources are sustainably managed. This Government will introduce a *National Biodiversity Act* to regulate the implementation of the action plan. The Government will also develop a Wildlife Conservation Law to protect and conserve wildlife in Timor-Leste.

2.5.4 Pollution control

The Government will ensure that as Timor-Leste's population and economy grows we control pollution so that we don't ruin the pleasure of living in Timor-Leste. We will therefore introduce regulations to control air, water, soil and noise pollution. We will build human resource capacity in the area of environmental quality control, including methodologies used for environmental tests. This will involve establishing an environmental laboratory to conduct tests and carrying out environmental auditing, monitoring, and evaluation of pollution for all activities in all districts.

The Government will commission environmental studies to find the source of various pollutants. This will include reviewing the activities of hotels, restaurants, workshops,

hospitals and markets. Regulations will be introduced so that polluters can be fined for damage caused by their actions.

Access to more reliable, affordable electricity as a result of the reform of the electricity sector will reduce air pollution from household cooking using wood products. Air pollution in Díli will be addressed by campaigns to reduce forest fires around the city and by introducing laws to regulate emissions from vehicles.

The Government will introduce urban waste management guidelines based on environmental regulations to set standards for waste treatment in Díli and other major cities. We will encourage composting, plastic recycling, paper recycling and glass recycling plants. During the period of the mandate household rubbish bins will be provided for waste collection. Used oils will be collected by tanks, both in the regions and in Díli, for reuse, recycling or disposal.

It is extremely important to reduce the amount of plastic bags and bottles clogging up our drains and damaging our marine life. As such, the Government will run a campaign that will involve encouraging the use of paper bags as an alternative, as well as develop a recycling scheme for all used plastic materials.

2.6 Culture and Heritage

Our culture gave us the strength to better resist and achieve our independence and our culture will help secure our future. The Government will therefore protect our national identity by encouraging the preservation, modernisation and socialisation of Timorese culture and by embedding the creative arts in our economic development.

There are a wide range of practices that are part of our creative economy, including weaving, carving, drawing and painting, design, music, acting and all aspects of theatre production, dance, film, radio and television production, writing, publishing and advertising. These practices all involve using creativity and cultural knowledge to generate income and wealth.

2.6.1 Cultural institutions

The Government will continue to support the development of a Museum and Cultural Centre of Timor-Leste to permanently host, display and interpret key cultural and heritage artefacts in Díli. The Centre will hold the geological collection currently on display in the Presidential Palace, the archaeological collection that is now spread around various countries and the ethnographic collection, comprising about 800 pieces, currently in storage in Díli. The Museum and Culture Centre will be designed and built to international standards so that sacred artefacts, paintings, books and other items in the collection will be protected from damage from high humidity, fire or other hazards. This will also be necessary to ensure that the many high value heritage collections being stored in international collections can be returned to Timor-Leste.

The Museum and Cultural Centre will work alongside and develop projects with the Timorese Resistance Archive and Museum. The National Library and Archives Centre of Timor-Leste will be a high quality institution that will support our education system. The Centre will be open to the public and will support a national network of libraries across the country.

The Government will establish Regional Cultural Centres in each district to highlight Timorese music, art and dance and to serve as cultural hubs within each region, showcasing not just regional culture, but also inter-regional cultural expressions. Each regional centre will have a library, a small centre for media and new technology with access to the Internet, and meeting rooms and office space.

Five Regional Cultural Centres will be established by 2015 and there will be at least one centre in each district by 2030.

2.6.2 Academy for Cultural Creative Arts and Industries of Timor-Leste

The Government will continue to support the establishment of the Academy for Cultural Creative Arts and Industries of Timor-Leste. The Academy will promote the creative arts, train teachers and focus attention on and celebrate traditional Timorese art forms such as music, dance, art, craft and design.

The Academy will include a School of Music to promote artistic creation in the music sector. The School of Music will operate as a national learning and creative centre, allowing access to music education, the preservation and recording of music traditions, repertoires, songs, dances and instruments, and music research.

The Academy will also include a School of Fine Arts, which will be a centre of research for the visual arts in Timor-Leste and a training venue for artists to develop their technical and artistic skills. The Academy for Cultural Creative Arts and Industries of Timor-Leste will provide education and training in weaving tais, ceramics, jewellery, basketry, wood carving, metalwork, leatherwork and other craft skills and marketing.

The Government will commence planning for a national theatre and dance company which will be established in the medium term to train actors and dancers and provide entertainment opportunities.

2.6.3 Design and cultural heritage

The Government recognises that it is important to preserve our traditional architectural heritage, particularly Uma Lulik – the sacred houses around which much community life revolves. The Government will enforce the recently passed Basic Law on Cultural Heritage to protect, preserve and enhance cultural heritage. Sacred houses have already been restored in four districts: Lautém, Oecussi, Bobonaro and Ainaro.

2.6.4 Screen culture

The Government recognises the enormous potential of new and existing audio-visual technology to increase people's access to cultural facilities available in Dili and to share unique cultural practices across the various regions of Timor-Leste. The gradual spread in coverage of television, radio and other audio-visual communications as a direct result of the Fourth Constitutional Government's electrification program will greatly improve access to culture.

The Government will continue to support Cinema Loesae's very successful outdoor cinema program at sites around Dili and in all 13 districts where over 45,000 people saw films and documentaries during the summer of 2011. The Government will encourage the growth of a Timor-Leste film and television sector and the establishment of a commercial cinema in Díli.

2.6.5 Cultural tourism

The Government will support the expansion of Timor-Leste's cultural tourism sector. Our traditional culture, the living history in our rural communities, our crafts, music and dance will provide visitors with many of their most memorable experiences. The Government will support village based accommodation around the country to promote cultural tourism and Internet based tourist information and religious pilgrimages to locations of significance around Timor-Leste.

2.7 Media – Diversity and Independence

The right to information, freedom of expression, and freedom of the press are vital to the consolidation of democracy in Timor-Leste. Circulation of information increases public understanding of government projects and activities and helps build unity and national cohesion. The Timorese people are entitled to objective and impartial explanations of events and projects.

2.7.1 Timor-Leste News Agency

The Government will continue to expand the content and reach of the Timor-Leste News Agency, including the "Goodbye Conflict, Welcome Development" radio program and online content on Radio Timor-Leste.

2.7.2 National Journalism Training Institute

The Government will support and promote the establishment of a national journalism training institute to improve the capacity of the mass media in the country, including radio, television and newspaper multimedia.

2.7.3 Social Communication Law

The Social Communication Law will define freedoms of expression for Timorese citizens, including: the protection of independence, sources, editorial freedom and the right to create media. Freedom of speech and the right of individuals to protect themselves from slander and libel will be covered as components of the Social Communication Law.

2.7.4 Encouraging Media Diversity

The Government will promote the consolidation of the role of Radio-Television Timor-Leste as a public company, and will provide capacity-building and material necessary for the professionalization of the organisation. In addition, the Government will seek to provide incentives for private sector investment in the media in order to nurture a competitive environment and achieve a diverse, responsible and dynamic media sector. The Government will also promote programs seeking to develop ethical, moral and integrity principles – civic education – in the society.

2.7.5 Press Council

The Government will promote the establishment of an independent and proactive Press Council as an administrative body whose mission will be to defend freedom of information and freedom of expression. The Press Council will encourage the establishment of a Timor-Leste-specific Code of Ethics for all journalists. It will also be able to ensure the establishment of a media environment that is independent from political and economic power in addition to guarding against the concentration of ownership of private media. The Government will provide the necessary funding to establish the Press Council.

3. Infrastructure Development

To develop our Nation, build a modern and productive economy and create jobs, we must build core and productive infrastructure. The scale and cost of our infrastructure needs is, however, significant, so it is necessary that we plan and implement our infrastructure program in an effective and targeted manner.

3.1 Roads and Bridges

During the next five years the Government will undertake a large scale investment program to upgrade, repair and improve our extensive system of national, regional and rural roads and ensure that this network is well maintained. This will include the start of the rehabilitation and maintenance of the over 450 bridges in Timor-Leste.

The Government will also give close attention to the rapidly increasing congestion in the nation's capital, Dili, and will develop and implement a Dili Road System Masterplan to improve traffic flow and road safety.

A comprehensive and quality road network is required to support equity in our national development, facilitate the transport of goods at a reasonable price, allow for the delivery of government services and promote agriculture and the growth of the private sector.

Timor-Leste requires a long-term road program beyond the five year mandate of this Government. The Government will therefore implement the vision set out in the *Strategic Development Plan 2011-2030* to:

- Deliver a comprehensive roads maintenance program
- Fully rebuild all national and district roads to an international standard by 2020
- Construct new bridges to provide all-weather access on major routes within five years and the remainder of national and district roads by 2030
- Build the road infrastructure required to support the development of the south coast, and
- Establish national standards for a ring road around the country and implement it by 2030.

3.1.1 Rural roads

Over the next five years the Government will undertake a major program of road rehabilitation, repair and improvement. Total road reconstruction will be undertaken where roads have fallen into complete disrepair.

All rural roads in Timor-Leste will be rehabilitated to a minimum standard over the next five years. This will include surfacing works, shoulder works, drainage and slope protection. Roads that link district centres to sub-district centres will be given priority for repair as these roads tend to carry the highest traffic volumes and are important transport connections for people and goods. The work will be undertaken by locally based contractors using labour-based equipment, which will generate significant rural and regional employment.

A bridge construction program will also be undertaken. This program will construct and rehabilitate bridges that are in need of replacement or repair. This work will include the construction of foundation structures, super structures and bridge decks and the construction of approach roads.

3.1.2 National and regional roads

Over the next five years the Government will embark on a major program to upgrade national and regional roads to an international standard. Loan agreements and

arrangements are already in place to commence work on some of the Nation's most critical road links.

The Government will upgrade the Díli – Manatuto – Baucau Road Link to international standards. Once this project commences and progress is reviewed, planning will begin to extend the road work past Baucau to Lospalos and Com. The road from Lautem-Moro to Lospalos and to Tutuala/Walu will also to be rehabilitated.

During the next five years the Government will develop a Manatuto – Natarbora Road Link. The existing road, which is in very poor condition, will be fully upgraded to international standards to provide a key north south road link and promote development of the South Coast.

The Government will deliver the Díli – Liquica – Bobonaro Road Project that will fully rehabilitate 230 km of roads from Díli to the Indonesian border at Mota Ain, as well as Tibar to Maliana via Gleno and additional roads in the Cova Lima district.

As part of the Tasi-Mane project, and to develop our petroleum industry and boost social and economic development along the south coast, the Suai to Beaco road project will be commenced over the next five years. This major road project will be undertaken in stages, with each stage being developed according to economic need and the growth of the petroleum industry on that region.

During the next five years the Díli – Aileu – Maubisse – Aituto – Ainaro – Cassa road project will be commenced. This project will provide another key north south corridor, opening up access to central Timor-Leste and promoting tourism by providing an improved link to the Maubisse and Hatu Builiku tourist zone. Traversing mountainous terrain, the project will require extensive surveying, planning and costing work, the responsibility for which will belong to the Government.

The Government will complete major road rehabilitation projects in Oecussi. These projects are: Pante Makassar to Oesilo, Pante Makassar to Citrana and Oesilo to Tumin. All of these major road rehabilitation projects will improve access to services and stimulate economic activity in Oecussi.

3.1.3 National Highway Ring Road

The economic and social development of Timor-Leste requires a National Highway Ring Road. This highway will have two lanes in each direction and will provide a ring road around the nation. This highway will be progressively built and the first stage will involve the construction of national roads of only one lane in each direction. During the initial stages, room will be left available for the addition of an extra lane and design, planning and costing for the full highway will be commenced by the Government. The National Highway Ring Road will be completed by 2030.

3.2 Water, Sanitation and Drainage

Clean water supplies, basic sanitation and efficient drainage are critical to Timor-Leste's future as they lead to improve public health, create new jobs, encourage rural development and make it easier to maintain and sustain our valuable water resources and other infrastructure.

3.2.1 Water and sanitation

The two most significant causes of infant and newborn mortality in Timor-Leste – lower respiratory infection and diarrheal disease – are directly related to a lack of water supply and poor sanitation and hygiene. While access to piped water, a protected well or hand pump, tanker or bottled water has increased from 48% of the population in 2001 to over 66% in 2010, the Government recognises that more needs to be done to ensure all citizens have access to clean water and improved sanitation.

The Government will therefore invest in major water and sanitation works in rural areas, regional and urban areas, schools, clinics and hospitals, and in Dili.

3.2.2 Rural and district water and sanitation

At least 400 water systems will be installed in 25,000 rural households over the next five years. In addition the Government will support the construction of community owned latrines, technical expertise and supervision for communities and recruitment of 88 sub-district water and sanitation facilitators for sucos under the Rural Water Supply and Sanitation Program.

Much of Timor-Leste's urban water and sanitation infrastructure, including pumping stations, transmission pipes, valves and tanks, was damaged or destroyed in 1999. The Government will progressively restore this infrastructure providing a safe and secure piped water supply to urban households in all district centres, focusing on areas where the situation is critical over the next five years, namely, Baucau, Manatuto, Lospalos and Suai.

This will be achieved by:

- Developing a District Centres Master Plan to scope solutions and agree on priorities
- Fixing leaks, rehabilitating damaged pipes and making connections legitimate
- Finding and securing new water sources
- Constructing reservoirs and treatment facilities, and
- Connecting houses to piped water supply.

Poor sanitation is also a problem in district urban areas where there is a lack of wastewater collection and treatment facilities. The Government will scope sewage solutions as part of District Centres Master Plans.

Solutions will include building sewerage collection systems and treatment facilities (starting with lagoons for 5,000 people), connecting commercial, residential septic tank effluent and all houses that have flush toilets and installing toilet facilities in households where practical and building community-managed toilet facilities for groups of households. Through these initiatives the Government aims to provide 60% of district urban areas with access to appropriate improved sanitation facilities over the next five years.

In addition the Government will provide clean piped water to all public schools by 2020 through a Water for Schools program that as a priority will bring piped water to the boundary of schools that are within 500 metres of an existing supply by 2014.

3.2.3 Water and sanitation in Dili

In order to be able to provide sufficient water to a larger number of urban households in Dili, the Government will capture additional sources of water to increase current supplies and treat that water to drinking water standards. This will be achieved by sourcing and treating new water as required from bores, rivers and other sources, constructing new water treatment facilities, extending distribution pipework to new service areas and connecting additional households to distribution pipework.

The Government will also rehabilitate existing water supply systems by systematically fixing leaks, repairing faulty pipes, valves and meters, training meter readers and establishing a billing system. Households that are not currently connected to the system will be connected and 150 communal taps will be provided for poorer areas. All connections will be made legal and accountable.

The Government will implement the Dili Sanitation and Drainage Master Plan in order to reduce health risks and encourage economic development. This plan seeks to achieve staged improvements to sanitation by rehabilitating existing sewers and separating sewage from storm water drainage by building intercepting sewers.

The Dili Sanitation and Drainage Master Plan covers the whole of the Dili populated urban area which is projected to increase from 160,000 people in 2012 to 240,000 in 2025. By 2025 this population is expected to generate approximately 60,000m³/day of wastewater. We need to act now to be able to manage our future growth.

The Government will target areas containing medium to higher population densities, together with commercial, industrial and institutional areas for priority sanitation improvements. The Government's objective is to establish a sewerage collection system that covers most of Dili. For those areas where direct connection to sewers is

impractical, provision will be made for isolated septic tanks and a reliable service to pump them out periodically and, in areas that are not densely populated, to build leach drains.

Initially, all households that can have bathrooms connected to the existing Dili sewerage system will be connected and other households will have septic tanks or access to community managed bathroom facilities. The Government program will enable well operated and maintained, sustainable infrastructure for the collection, treatment and disposal of sewage in Díli by 2020.

3.2.4 Improved drainage

Timor-Leste's mountainous terrain and monsoonal climate result in regular flooding and erosion in rural and urban areas. Erosion and flooding are major causes of roads collapsing and being washed away.

Appropriate drainage channels and flood plan management can help to alleviate flooding and erosion. The Government will undertake necessary engineering survey work to be able to provide local communities with local solutions to drainage problems. Maintenance of existing drains will be key part of these solutions.

The Government will implement the Sanitation and Drainage Master Plan to dramatically reduce Díli's significant drainage and flooding problems.

The catchment areas outside Díli are very steep, rising to around 1,100 m above sea level about 9 kilometres inland. The waterways running through Díli have a total catchment area of some 280 square kilometres, with the largest of them being the Comoro River with a catchment of some 220 square kilometres. 90% of the catchment runoff is discharged to the sea via four rivers; the Comoro, Maloa, Kuluhun and Santana Rivers. There are two retarding basins on Maloa River and one on Becora River, designed to reduce downstream flows during storm events, however, they are currently fully silted up and therefore are not functioning.

The Government will commission the following works as Stage 2 of the Master Plan for drainage over the next five years to reduce the frequent flooding caused by heavy storms.

- Cleaning and grubbing to clean and remove solid materials including solid waste, sediment and vegetation that have accumulated in the drains
- Channel re-sloping or re-grading to steepen the grade or remove high or flat areas in the channels
- Construction of a retardation basin at Caicoli, near Mascarenhas
- Channel re-shaping to increase the cross-sectional area and hence the flow capacity, and
- Improvements to road drainage and overland flow paths in order to direct runoff into drainage channels.

3.3 Electricity

The Government will build upon the recent upgrade and expansion of the electrical grid to provide reliable electricity supplies to the entire country. Electricity is a cornerstone for economic growth and rural electrification will also provide immeasurable social benefits to our people. We will ensure that the entire population has access to reliable electricity 24 hours a day.

Renewable energies and complete rural electrification will form the two pillars of our electricity agenda over the next five years. Particularly in remote areas where we will build low cost and easy to install solar and wind projects to provide 10% of our energy needs, giving priority to Atauro and Oecussi Ambeno which are well placed to generate alternative energy.

We will commence the construction of the Lariguto wind farm, followed by the Bobonaro wind farm, with both being connected to the National Grid. We will also establish a Solar Centre in Hera, in order to use solar energy more efficiently and to reduce fuel dependence. The Government will also conduct feasibility studies on thermoelectric power and investigate biomass fuel options in Manatuto, Viqueque and Lautém.

3.4 Sea ports

The expansion of Timor-Leste's economy requires increased sea port capacity on both the north and the south coasts. Seaport infrastructure development is vital to allow Timor-Leste to import critical goods and equipment to bolster our economy and build major infrastructure and to support an export industry for coffee, petroleum products, fish, meat, fruits and grains.

We cannot continue to be dependent on a single national port in Díli which is no longer able to efficiently handle increasing cargo volumes. Timor-Leste also has port facilities at Hera, Tibar, Oecussi, Kairabela, Ataúro and Com, but they are in a poor state of repair.

Critically, the ports at Oecussi and Ataúro provide the only significant means of access to their regions from other parts of Timor-Leste. There are no ports or small ship facilities on the south coast and all agriculture and industry is completely reliant upon costly and unreliable road transport to the north.

The Government will build a new multi-purpose national port at Tibar with a capacity of 1 million tonnes per year and the ability to cater for commercial cargo and passenger needs. The Tibar Port project will involve building an international standard road from Díli to Tibar, constructing a wharf and onshore facilities and dredging. This large infrastructure project will be built in stages as port demand increases and financing and budget allocations are provided.

The Government will also establish a logistics base for the petroleum sector in Suai with the centrepiece of this development being the construction of a new port. This facility will open up the south coast to investment and growth and provide an international access point to Timor-Leste.

The new Suai Port will provide an entry point for the materials and equipment that will be needed to build petroleum industry infrastructure and plants. It will be a multi-purpose seaport and include a container park, warehouse logistics area and fuel storage facilities. The port may also include shipbuilding and repair facilities. Construction of the port will require a breakwater to provide protection from the waves from the Timor Sea.

The Government will embark on a regional ports construction program which will include facilities being built, repaired or substantially expanded at these sites:

- Between Laga and Lautém, where a port and a wharf will be built in order to protect fisheries
- Atauro, where a port will soon be built to support cargo, passengers, fisheries and tourism
- Kairabela in Vemasse sub-district, where a small port will be constructed to provide close sea access to the Baucau district
- Oecussi, with the construction started in 2011 of a tide-independent facility and a dry cargo berth, as well as the continued rehabilitation of the existing general cargo berth
- Manatuto, where a jetty will be built with refrigeration facilities to allow the export of fishery and agriculture products.

Other maritime facilities will also be built, requiring a more detailed study to determine their location, as the port of Hera is permanently threatened by sedimentation. In the future the Government will plan port facilities in the eastern part of the south coast around Beaçó.

3.5 Airports

3.5.1 Presidente Nicolau Lobato International Airport

The Presidente Nicolau Lobato International Airport in Dili is in poor condition and requires substantial improvement and development to meet increasing passenger numbers and to allow larger planes to operate safely.

There is an airport at Baucau with a 2,500 metre long runway, however it is no longer in use. Other runways in Timor-Leste include a 1,050 metre sealed runway at Suai, a gravel runway at Oecussi and airfields at five other locations, with airstrips in various states of disrepair. No scheduled services are offered to any of the other airports.

To meet the future demand for air traffic the Government will expand the Presidente Nicolau Lobato International Airport in Díli to allow it to handle up to one million passengers per year by 2020. This will involve extending the runway and constructing a new terminal building. The runway will be extended in order to host larger planes, as well as to improve safety and meet international standards.

New terminal facilities will be constructed to support modern airport operations and cater to the development of the tourism industry. To support tourism growth, the airport will be strongly promoted to international operators and regional airlines.

3.5.2 Regional airports

The Government will develop a district aviation program. Timor-Leste will soon become dependent on local civil aviation for medical evacuations, as well as the efficient delivery of many government services, security and commercial activities. We will develop a District Aviation Plan to provide a district aviation capacity and identify current and future light aviation airstrips and the capital needs for upgrading and rehabilitating these airstrips. The plan will include the rehabilitation of existing airstrips or the building of new airstrips for Suai, Oecussi, Lospalos, Maliana, Viqueque, Atauro and Same.

The Baucau airport will also be developed as a cargo airport, in addition to operating as a military air base. This will include construction of a control tower and terminal, as well as other facilities.

3.6 Land Transportation

The Government will give attention to the development of land transport, including the construction of necessary infrastructure and support facilities for public and private transports.

3.7 Telecommunications

Effective telecommunications bring people together and support the growth of businesses and the provision of government services. They connect villages to each other and to other towns and cities, and then to the world. Telecommunications are essential to Timor-Leste's future development including the creation of jobs, the growth of business and the delivery of vital services such as health, education and security.

The world is entering a new era in telecommunications technology that is characterised by new wireless devices and dramatically lower access costs. This new era, which is in part driven by emerging economies, will transform the way in which people do business and are connecting with each other and with the world.

The Government is determined to ensure we are a part of this structural change in global, social and economic relations.

The vision of the *Strategic Development Plan 2011-2030* is that by 2015 we will have a modern telecommunications network that will connect people in Timor-Leste to each other and to the world, and that will allow us to take full advantage of global telecommunications advances.

The telecommunications market has been liberalised with the introduction of competition and new entrants to the market. This will improve services, increase coverage, expand Internet broadband access and lower prices. These landmark reforms will dramatically improve access to affordable, reliable and modern telecommunications services.

The next stage of major telecommunications reform will be connecting Timor-Leste to both inland and subsea national fibre-optic telecommunication cable. The reality for Timor-Leste is that continued reliance on satellite connections for the Internet will not be able to provide the capacity that is needed for a modern telecommunications system. To benefit from the global telecommunications network we need access to a subsea cable.

The Government will secure access to a subsea fibre-optic cable, from either Indonesia or Australia or from another nation during the next five years to provide the next stage of telecommunications progress for our nation. This will make a profound difference to the quality and speed of broadband services and allow our people, and especially our children and young people, to be a part of the digital world. It will also transform our economy and the delivery of government services, including health, education and security.

3.8 Major project procurement

This Government program provides for the delivery of major infrastructure works including ports, airports and road projects. Given the central place that these projects will have in our development it is important that they are delivered with good governance and on a value for money basis.

To ensure our major infrastructure projects are implemented as cost effectively and efficiently as possible the Procurement Commission has engaged the services of an international specialist firm to oversee the procurement process for large and complex projects.

Working with the Procurement Commission, this international firm will manage the procurement process with the highest levels of integrity and professionalism. This includes the planning and scheduling processes, preparation of bidding documentation, contract negotiations and the awarding of contracts and ongoing procurement and monitoring support during project implementation.

The engagement of a procurement agent is only a transitional step. Our primary aim is to build our human resources so that, over time, the responsibilities of procurement will be undertaken by trained and skilled Timorese procurement specialists. To work towards this outcome and to speed this process, a central responsibility of the international procurement firm is the design and implementation of programs and processes to build the capacity of our civil service to manage the procurement of large scale and complex projects.

4. Economic Development and Job Creation

Timor-Leste is a low income country with an emerging private sector, limited economic diversification and a concentration primarily on agriculture production. However, our country has significant economic opportunities and strong potential to become a middle-income Nation.

The Government aims to develop a flourishing market economy with a strong private sector to provide jobs for our people and ensure that all parts of our Nation benefit from the development of Timor-Leste's natural resources wealth. We also recognise that we cannot rely solely on our substantial oil and natural gas reserves, which is why we must diversify our economy. As such, the Government will focus on expanding and modernising our agriculture sector, building a thriving tourism sector, encouraging much higher levels of private sector activity and activating industries, including the growth and expansion of small and micro businesses.

While Timor-Leste faces significant challenges in restructuring our economy to achieve this vision, we have many positive strengths and advantages, including the resilience and determination of our people, substantial oil revenues, rich marine and other natural resources, and our location in the dynamic East Asia region which is driving much of the world's economic growth. We also have an unspoiled natural environment and a unique culture, heritage and history, all of which offer significant potential to develop a high-value tourism and hospitality sector.

However, these strengths and advantages are currently outweighed by poor infrastructure across the country and industry, financing and trade constraints. To achieve economic development, the Government will tackle these challenges, barriers and constraints.

The Government assumes the vision of the *Strategic Development Plan 2011-2030* that by 2030 Timor-Leste will have a modern diversified economy, with high quality infrastructure including roads, power, ports and telecommunications. Subsistence agriculture will have been replaced by commercial, smallholder agriculture. Timor-Leste will be self-sufficient in food and be producing a range of agricultural products for world markets including staples, livestock, fruit and vegetables and other cash crops, as well as forestry and fisheries products.

The petroleum sector, including oil and gas production and downstream industries, will provide an industrial base to our economy. Tourism, and in particular eco-tourism, will be a major contributor to the national economy, with light industries complementing and diversifying the economy.

To achieve this vision the Government will develop the Timor-Leste economy around three critical industries: agriculture, tourism and petroleum. In these industries, Timor-Leste has significant advantages due to our natural resources, geographic location and economic profile. These three sectors will be underpinned by a package of policy initiatives to support the growth of the private sector, particularly in rural areas.

4.1 Agriculture

The Government will strengthen the agricultural sector to reduce poverty, provide food security and promote economic growth and jobs in rural areas across the entire Nation. A growing agriculture sector will also promote rural development.

The first stage of our plan will be to achieve food security. This will be followed by promoting food production for domestic markets and import substitution. The final stage will focus on export of our agricultural production.

This plan will include working to improve farming practices to boost the production of rice and maize to increase domestic food security while improving rural livelihood opportunities and reducing trade deficits.

We will continue to promote the growth of coffee, vanilla and candlenut crops. The Government will also secure water for agriculture, invest in irrigation and dam infrastructure, and support aquaculture activities to grow the fisheries sector.

4.1.1 Food security

The Government will improve Timor-Leste's food security by using high yield varieties identified within the Ministry of Agriculture, new crop production systems and expanding on-farm grain storage.

We will encourage the increase of the domestic production of rice to 61,262 tons and the productivity of maize will increase to 1.54 tons per ha. In order to meet this goal, the Government will make significant investments in rehabilitating and extending irrigation systems and improving water storage.

We will nurture Timor-Leste's Research and Development Institute to effectively guide national policies for the sector and oversee project implementation. Extensive research will be undertaken during the next five years to guide our farmers on the best crops and farming methods to adopt for our local circumstances. The number of Agriculture

Extension Agents in *sucos* will be increased and additional Centres for Agricultural Services will be built.

In line with the Comoro Declaration against Hunger and Malnutrition and in order to ensure rural subsistence farmers are included in the drive to increase food production throughout the country, subsistence farmers will be provided with the skills and technical assistance needed to increase local productivity and strengthen communities' resilience to a changing climate and expanding population. Emphasis will be placed on promoting and training farmers in settled conservation-type farming in conjunction with the promotion of increased but judicious use of fertilizers.

4.1.2 Strategies for commodities

The Government will increase capital investment in key crops such as coffee and vanilla, candlenut and palm oil. We will target farmers in this sector with specialist financial and marketing advice and will facilitate the ongoing resolution of issues related to land ownership in rural areas.

4.1.3 Livestock and animal farming

During the next five years the Government intends to improve the Integrated Livestock and Animal Farming Plan, by locating adequate areas and establishing Cooperatives for this purpose. National extension campaigns will be conducted in order to promote basic animal health care and to integrate animal food in the production of food crops.

We will make a significant contribution to improving nutrition security in Timor-Leste by increasing access to fresh meat and dairy protein sources. By providing free vaccines the Government will increase livestock numbers by 20% over the next five years.

4.1.4 Fisheries

The Government will enhance its exploitation of our 735 km coastline, providing nutritional and economic benefits to each of the 11 coastal districts in the country. We will help expand aquaculture activities such as seaweed, prawn, abalone, crab and oyster farming.

In the next five years the Government will employ strategies to focus on commercial fishing in the ocean, and consequently in the waters of our Exclusive Economic Zone, in addition to increasing the catch from our traditional fishing activities. The Government will conduct inventories on sites suitable for commercial fishing. Under the National Aquaculture Development Strategy (2012 – 2030), inland aquaculture will be developed, addressing food and nutritional security throughout the central areas of Timor-Leste which currently suffer from low access to animal protein.

The Government will ensure that we receive greater returns for commercial fishing in our own waters including through license fees for foreign vessels.

4.1.5 Sustainable forestry and wood products

The past exploitation of Timor-Leste's indigenous tree stock – teak, mahogany and sandalwood – requires the Government to develop a sustainable forestry industry and to prepare a Forestry Management Plan promoting reforestation and sustainable land management.

The Government will conduct research into hardwood and agroforestry production potentials and will promote carpentry and furniture-making as part of the vocational training sector. We will also put in place a National Bamboo Policy and Marketing Strategy. The Government will continue to support community-based nurseries, so that, starting in 2015, they can carry out the national plan of planting 1 million trees every year.

4.2 Petroleum

The petroleum sector will be the key pillar of our future development - it is critical not only to our economic growth and strength, but also to our future progress as a successful and stable Nation. While developing the sector, we must ensure that Timor-Leste's natural resource wealth is used to build our Nation and improve our people's lives.

Currently, Timor-Leste lacks the core infrastructure, support industries and human resources to fully operate and manage our petroleum sector. This results in the loss of great opportunities for our people and Nation.

The Government will work to secure these opportunities and expand the petroleum industry so that it provides a strong foundation for the structural transformation of the Timor-Leste economy into one based on successful petroleum, industrial, export and service industries with a mature and expanding private sector.

The Government will make the most of our oil and gas wealth with the development of our National Petroleum Company, TIMOR GAP, E.P., developing the Tasi-Mane project on the south coast. We will ensure the skills and experience that our people need to lead and manage the development of our petroleum industry. We will also continue our unwavering commitment to transparency in accounting for revenue from the petroleum sector.

To meet the challenges ahead, the Government will take the following steps:

- Revenue from petroleum will continue to be fully transparent and used to support social and economic development

- The petroleum industry will be developed in a way that operates with the maximum participation of Timorese citizens and businesses
- The human resources necessary for the operation of the petroleum industry will be improved and developed, and
- The south coast will be developed to support the expansion of our domestic petroleum industry, including the establishment of core infrastructure.

The petroleum sector is our greatest source of State Budget revenue. Timor-Leste is fully committed to the earnings from our petroleum resources being fully transparent so that everyone can see the financial returns, the movement of public funds and the return on petroleum fund investments. This commitment will be demonstrated through strict and continued adherence to international transparency mechanisms such as the Extractive Industries Transparency Initiative.

The Government will also work to ensure that our people benefit not just from the revenue from our petroleum resources, but from the full participation management and employment in the petroleum industry. In this way, we can increase the gains to our people beyond the simple selling of oil and gas.

To enable the full participation of our people in the building of the petroleum industry, we have embarked on an extensive and ongoing program of human resource development. This will include training the Timorese in key areas such as geology, petroleum and chemical engineering, petroleum finance and business and project management. This training will occur through scholarships to internationally recognised higher education institutions, civil service professional development opportunities both within and outside Timor-Leste, the secondment of staff to international oil and gas companies and establishing a training centre for oil and gas operations in a polytechnic to be built in Suai.

Importantly, much of this program, including international and domestic scholarships, will be funded through the Human Capital Fund and will ensure that Timor-Leste has the people with the skills and experience to lead and manage the development of our petroleum industry.

Central to the strategy of developing our petroleum industry will be the operation and activity of our National Petroleum Company – TIMOR-GAP, E.P. This company will lead the development of the industry through direct participation, ownership and investment in our petroleum sector. It will provide an avenue for Timor-Leste to have a direct business stake in and benefit from the expansion of the sector. TIMOR-GAP will be committed to building our human resources and domestic petroleum expertise to allow Timorese ownership and participation.

4.2.1 Tasi-Mane Project

To allow petroleum development in our country and to provide a direct economic dividend from petroleum industry activities, supporting infrastructure will be developed on the south coast of Timor-Leste. This will be led by the Tasi-Mane Project, a multi-year development of three industrial clusters on the south coast which will form the backbone of the Timor-Leste petroleum industry.

The project will involve development of a coastal zone from Suai to Beaçõ and will ensure that required infrastructure is in place to support a growing domestic petroleum industry. Tasi-Mane will include the Suai Supply Base cluster, the Betano Refinery and Petrochemical Industry cluster, and the Beaçõ Liquefied Natural Gas (LNG)-Plant cluster.

The Government will establish a logistics base for the petroleum sector in Suai. The base will provide capacity for the south coast to develop a domestic petroleum sector along with related and supporting industries and businesses. It will provide an entry point for the materials and equipment that will be needed to build petroleum industry infrastructure and plants. Suai will become a centre for the petroleum industry in Timor-Leste providing services, logistics, fabrications and human resources. This will include the building of a sea port, a housing complex in Kamanasa, a rehabilitated Suai airport and a heavy metals workshop and ship building and repair facilities.

The Suai Supply Base will become a national industrial base and logistics platform to drive job creation and economic development on the south coast. It will also support the establishment of petroleum centres at Betano and Beaçõ.

The Betano Cluster will consist of an industrial park where refinery and petrochemical industries will be located, along with a petroleum industry administration city. The city will provide housing and social services, and form a new base of employment on the south coast.

The establishment of a refinery and petrochemical centre will be achieved through cooperation between the public and private sectors. TIMOR-GAP will play a crucial role in this development. The initial phase will establish a refinery which will produce fuel for domestic use such as diesel, gasoline, jet-fuel and asphalts. In addition, many products from the refinery will be exported to increase our trade in oil and gas products.

The Beaçõ LNG-Plant cluster will be the area in which the natural gas pipeline reaches Timor-Leste land and where the LNG plant to process the gas will be located. This cluster will incorporate the LNG-Plant complex and the Nova Beaçõ and Nova Viqueque developments. The existing airport at Viqueque will be refurbished with the capacity to operate as a fly-in-fly-out airport for LNG Plant operators, as well as serving as a regional airport.

To connect the three clusters and support growth of the petroleum industry, a road will be built from Suai to Beaço. This road will be built in stages. Each stage will be developed according to economic need and the growth of the industry. The project will commence by 2015 and be completed by at latest 2020.

4.3 Tourism

Timor-Leste's natural beauty, culture and history make the tourism industry a unique industry sector and an important avenue for our economic development. A successful tourism sector will create jobs, affirm our history and build businesses that both visitors and nationals can enjoy, including: restaurants, hotels, leisure and entertainment centres in addition to medium sized industries. Because this sector is in the early stage of its development, the Government will strategically position Timor-Leste as a regional leader in the eco, marine, historical and adventure tourism markets.

The Government will facilitate the growth of the tourism industry by rehabilitating infrastructure, including the Díli airport, telecommunications and roads on key tourist routes, particularly the Great North Coast Road from Com to Balibo.

The Government will build a tourism and hospitality training centre in Díli within the next five years. Tourism Information Centres will be established in Díli, Lospalos, Balibo and Baucau.

Over the next five years we will expand our tourist promotion marketing activities internationally, including an annual calendar highlighting our special events and our attractions. This will include the provision of small packaged tours that will be promoted in tourist centres such as Darwin and Bali as well as through the Asia Pacific region.

The Government will continue to promote and expand the "Díli, City of Peace" tourism and publicity campaign which includes the "City of Peace" Marathon, the *Tour de Timor* mountain bike race through each of the 13 districts of the country, the Atauro fishing competition, the annual Darwin-to-Díli yacht rally, the International Dive Photo Contest, the Díli Adventure Race and the Com Fishing Festival. The Government also intends to start promoting tourism strongly in 2013, holding the National Caravan Festival, which will represent the various regions and communities, as well as their main tourist attraction sites. These international events not only bring tourists to Timor-Leste but elevate the profile of the country internationally, and we will continue grow these important events.

4.3.1 Eastern tourist zone

The Eastern Tourist Zone will extend from Tutuala through to Com and Baucau and along the coastal road to Hera. This zone is integral to our tourist offerings and includes pristine tropical beaches, mountain scenery and offers adventure activities and showcases Portuguese architecture and local culture. The government will ensure that

Tutuala and Jaco Island continue to be a pristine and authentic eco-tourism experience for our visitors.

We will develop the town of Com into a tourist base for the area and will be linked to the Great North Coast Road. The Government will support the establishment of a premium eco-tourist resort on the seaside in Baucau. The city of Baucau will serve as a base for trekking and cultural tours and the spectacular nearby Mount Matebian. The rehabilitation and widening of the Great North Coast Road will facilitate tourist access to these areas.

We will put road markers near the Japanese war tunnels on the road south of Baucau and will highlight areas of national pride in eastern districts during the resistance, including Mundo Perdido.

We will continue to promote the Nino Konis Santana National Park as a tourist destination in addition to its status as a nature reserve by establishing a visitors' centre, by the training of local guides and establishing walking tours of this naturally beautiful and historically and culturally significant area of Timor-Leste.

The Tourist Information Centre in Lospalos will provide advice and assistance to travellers in the region and organise homestay accommodation options for visitors as well. The Nino Konis Santana National Park in addition to other areas showcase artefacts and areas which highlight local animist faith, particularly the "Lulik" (Sacred), which arises in our landscape, rocks, animals, streams and objects and from our deceased ancestors. The rock engravings in Ili Kerekere will also be a tourist attraction, along with the traditional dances of the endangered ethnicity. The government will promote ways for this part of our heritage to be understood by our people and our visitors.

4.3.2 Central tourist zone

The Central Tourist Zone includes the capital Díli as well as Atauro Island and the beautiful Maubisse region. The Government will undertake a proactive tourist development program in the capital because it serves as the primary gateway into the Nation. We will open the Timor-Leste Tourist Information Centre in Díli to provide information on places of local and national interest as well as provide tourist information at the airport.

We will put markers and information near areas of importance to our national resistance, including the Santa Cruz Cemetery, the Resistance Museum and Archives of the country, the Commission for Reception, Truth and Reconciliation and the Dare Memorial Centre.

Díli serves as the gateway to the island of Atauro where the government will promote the expansion of the eco-tourism which has already begun developing there and will highlight the diving and marine tourism opportunities there.

South of Díli, the town of Maubisse will serve as the base for tourism in this area, including promoting trekking trips to Timor-Leste's highest mountain, Mount Ramalau, and the Government will promote the development of Homestay and Guesthouse lodging there in addition to rehabilitating the landmark Maubisse Pousada.

4.3.3 Western tourist zone

The Western Tourist Zone includes the Great North Coast Road to Balibo, Maliana, Bobonaro and the Ermera coffee lands. The Great North Coast Road will provide access to the beautiful beaches and inland views along this part of our nation. The Government will promote the Dutch fort in Maubara, the Portuguese fort at Balibo and the Ai Pelo Prison – ruins. The Government will facilitate the rehabilitation of the fort at Balibo, including building a boutique hotel within the walls of the fort, build a café, and will establish a small museum and place markers to commemorate the history of that place.

The Government will also promote eco-tourism and signage highlighting areas of coffee cultivation in Ermera and will strongly promote the hot springs of Marobo, including improved signage and updating the ruins and the guesthouse in order for the springs to become a highlight of a visit to the Western Tourist Zone.

4.3.4 Milan 2015 World Expo

The Government will confirm its participation in the 2015 Milan Universal Exposition themed “Feeding the Planet, Energy for Life.” In 2010 the Government of Timor-Leste had a pavilion at the Shanghai World Expo highlighting the country's natural scenery and the harmonious coexistence between humanity and nature. In 2012 the Government was also represented in South Korea. In 2015 Timor-Leste will represent itself within the context of the “Feeding the Planet, Energy for Life” theme to raise the profile of the country.

4.4 Encouraging Jobs Growth

To build our Nation and provide jobs and income for our people, Timor-Leste needs to attract investors, partner with international firms to build infrastructure and support local business throughout the country to start-up and grow.

Potential investors must have confidence that they are in a fair business environment and have certainty about laws, regulations and processes that impact their investment. At the same time, we have to make sure that we retain control of our resources and assets, and set directions for their development that benefit all our people.

The Government will work to ensure that Timorese business people have the skills and support they need to identify business opportunities, start up a business, expand into new areas or markets, or start exporting. There are many areas in which Timorese business people can flourish and create jobs, including in the tourism, agriculture, petroleum and cultural industries. The development of local businesses and our private sector will underpin and drive our national development and the Government will focus on ensuring that our people are provided the support, access finance and business training that they need to succeed.

The Government will implement a number of new economic policies to promote private investment including reforms to business regulation, access to micro finance, promotion of a National Development Bank and the establishment of Special Economic Zones.

4.4.1 Business and Investment Environment

The future of our economy requires facilitating a mature private sector. The Government will give priority to building a business and investment environment that supports the development of a diversified private sector and the establishment of new businesses and industries that are essential to create jobs and allow us to make the transition to a non-oil economy.

The Government will improve our business environment by addressing key challenges that deter investors. These measures will include improving the ability to:

- Raise finance
- Enforce contracts
- Register a business, including the simplification of the registration and the improvement of interministerial coordination
- Secure land title and register property, and
- Resolve business disputes.

The reforms we have made so far give Timor-Leste one of the most attractive taxation systems for businesses in the world.

The Government will introduce a new investment law to provide generous tax provisions for business investment. Importantly, the Government will continue to support the strengthening of the Timor-Leste Chamber of Commerce and Industry so that it can provide our business people with training, advice, advocacy and representation.

In addition, the Government will introduce the 'one stop shop' for the registration of businesses and will embrace e-government to provide an efficient alternative for interaction with government.

The Government will promote the creation of an effective and helpful Investment Attraction Agency that has the capacity to provide information and advice to potential domestic and international investors. This will include creating a website that provides access to information investors require. The Government will also produce a comprehensive Timor-Leste Investor Information Package which provides detailed information for international and domestic investors on the tax system, legal regulation, land law, environment matters, business regulation and other areas on which investors require information when making investment decisions.

The current dispute resolution system will be strengthened by improving the capacity of the justice system to resolve commercial disputes and by establishing effective alternative dispute resolution mechanisms. This will include consideration of whether to provide foreign investors with recourse to the International Chamber of Commerce's International Court of Arbitration.

4.4.2 Public Private Partnerships

The building of our Nation and the diversification of our economy will require cooperation between the public and the private sectors. Public Private Partnerships can be effective mechanisms to fund and build major infrastructure projects. The Government will build on the existing Decree law and develop processes for the identification, evaluation, and construction of infrastructure through Public Private Partnerships. This work will include building the internal capacity to negotiate oversight and manage Public Private Partnerships.

4.4.3 Timor-Leste National Development Bank

The development of the Timorese private sector is constrained by limited or no access to credit and long-term finance at affordable rates. Our businesses need credit to invest, expand, purchase goods and equipment, and upgrade facilities. There is a significant unmet demand in Timor-Leste for credit so that hotels can be upgraded, retailers can purchase a greater range of stock, construction of housing and offices can occur and construction companies can purchase heavy equipment.

The Timor-Leste National Development Bank will be established to improve access to long-term financing by the private sector. This Bank will allow Timorese businesses to grow, employ labour and build the economic infrastructure of our Nation. The Government will ensure that this Bank is developed competently so that it can play an important role in the growth of our economy.

The Government will support the establishment of a Timor-Leste Investment Company to help businesses that build our economy and with strict and clear investment guidelines, independent management and commercial operations and the highest standards of good governance. The Company will assist with the development of investment opportunities and help to deliver major strategic and commercial projects.

The Timor-Leste Investment Company will operate in accordance with commercial principles and management approaches. It will have an independent board of directors that will be required to report to Government in regard to business strategies, investments, financial returns and projections and dividend policies.

4.4.4 National Commercial Bank of Timor-Leste and Microfinance

Access to credit is a problem for small business people and individuals in Timor-Leste, including those living in our regional and rural areas. A lack of credit prevents the expansion of small businesses, limits the ability of our people to start businesses and inhibits the growth of our economy.

The Government transformed the Timor-Leste Micro-Finance Institute into the National Commercial Bank of Timor-Leste, which already has branches in every district and reaches the sub-districts with mobile banking vehicles. The Government will continue to support the Bank and its expansion, so as to serve all our people by providing credit and banking services, and promote national and rural development. The National Commercial Bank of Timor-Leste will provide services to individuals and to micro, small and medium enterprises.

4.4.5 Special Economic Zones

In the past there has been very little planning in Timor-Leste in terms of the comparative advantages of each region in the country, access to markets and infrastructure. To promote economic development, the will Government support the establishment of Special Economic Zones which will involve the creation of a new set of business laws and regulations that cover a defined geographic zone or a defined industry to make it attractive for foreign companies to invest in or establish a business.

Incentives often used in these zones to attract investment include tax incentives and low or no customs or import duties as well as clear and simply business regulations and certainty over land title. Special Economic Zones are common throughout the world. They have been established in China, Indonesia, India, Angola, Brazil and Malaysia, among many other countries, to enhance a region's competitiveness and to boost the development of the country.

Through creating a more certain regulatory and tax environment, as well as allocating land for constructing facilities and buildings under a long-term lease arrangement, these zones can become centres for rapid economic growth. Clear laws for such zones will include those covering business, investment, employment, land, bankruptcy, occupational health and safety, environmental protection, taxation and customs.

The Government will support establishing Special Economic Zones to quickly attract foreign investment and international businesses. Both domestic as well as international

business would be encouraged to set up within a zone that would drive domestic development, competitiveness and the national entrepreneurship itself.

The benefits from Special Economic Zones include:

- Promoting industry and service sector development, particularly in targeted sectors
- Creating jobs and generating national income
- Growing export industries
- Creating international business opportunities
- Improving national infrastructure, and
- Trialling the application of new policies or laws as a model for nationwide development and economic reform.

Areas or industries that will be considered for classification as Special Economic Zones include:

- Areas around our airports and sea ports, which could become logistics, trade or manufacturing centres
- Parts of the south coast that could be a Petrochemical Special Economic Zone, and
- The city of Díli, which could become a specific purpose financial free zone to attract the finance industry including banks, insurance companies and professional services firms.

4.4.6 Additional support for jobs growth in rural areas

Rural development is a priority concern for the Government as 75 per cent of our population live in rural areas. Nationally, the population is growing at an annual rate of 3.2% and if this rate continues, Timor-Leste's population will double in 17 years. Due to a high birth rate and low life expectancy, 54% of our rural population is under 19 years old. The Government will put policies in place to ensure there will be jobs for young people in rural areas as well as in our growing urban areas and to help deliver food security, generate jobs and alleviate poverty.

The Government's program for rural development is supported by our over arching plan to develop the Timor-Leste economy around three critical industries: agriculture, tourism and petroleum. However it is also supported by a number of specific policy initiatives that aim to drive the growth of the private sector in rural areas.

Widespread and sustainable rural development will not be possible without reliable and ongoing support from other sectors, especially transport and roads, water and sanitation, power, health and education. The rate of progress in rural development will be directly linked to the rate at which the Nation's infrastructure can be rehabilitated and upgraded. In terms of overall rural development in Timor-Leste, the private sector has

the potential to play a critically important role in helping to eradicate extreme poverty. This is why the Government will support the initiatives that provide a viable economic basis for rural development to take place. This will include encouraging diversification into new economic activities as well as improving the efficiency of current activities.

In addition to nationwide reforms to encourage the private sector such as a new investment law and the establishment of a 'one stop shop' for business and the establishment of the Timor-Leste Chamber of Commerce and Industry, the Government will support the following programs to encourage private sector growth in rural areas.

4.4.7 A National Planning Framework

Over the next five years the Government will create the National Planning Agency and develop a National Planning Framework for Timor-Leste to guide the acceleration of sustainable economic growth and equitable development from national level to sucos level, while protecting Timor-Leste's natural environment. The Government will use the National Planning Framework process to ensure that our agriculture sector is developed in a way that minimises damage to the environment, as healthy rivers and catchments, forests and soils are necessary for healthy, productive farms.

Agriculture production zones and conservation zones will be determined according to factors such as land suitability (soils, slope, altitude and aspect), climate (rainfall and temperatures), current land use, the financial viability of production options, supporting policies and the availability of organic or inorganic fertilisers and pesticides. Agriculture production zones will be advisory rather than prescriptive or compulsory. Farmers will be able to decide for themselves what they want to farm, but they will be given access to the best information available about crop and seed varieties most likely to succeed in particular areas.

The National Planning Framework will identify opportunities for development based upon the specific characteristics of certain regions, to reduce gaps in progress between regions and between urban and rural areas and to encourage private sector investment in particular areas. Urban-rural and regional imbalances are inevitable in a fast-changing economy. Good land use and conservation planning will be necessary to address these imbalances and ensure more equitable economic growth and a broader distribution of prosperity across Timor-Leste.

4.4.8 Business Development Centres

Business Development Centres have been established in Baucau, Díli, Maliana, Maubisse, Suai, Lospalos, Ermera, Viqueque and Oecussi by the Institute for Business Support (IADE). These centres provide training in how to identify and start a business, improve a business and expand a business.

The Government will extend IADE Business Development Centres to all districts and the range of services offered will be expanded to include agribusiness services and others identified through a district needs assessments. Partnerships with professional training centres will be sought to provide relevant technical skills training.

We will start providing training immediately to IADE and Business Development Centre staff and trainers – training of trainers – in order to improve their skills and to ensure they provide quality training. A control and monitoring system will also be established for monitoring training outcomes, namely to determine whether trainees are able to use their newly-acquired knowledge to create and manage their own businesses after completing their courses.

The Business Development Centres will also provide a cluster-oriented ‘Business Incubator’ function where machinery can be hired and paid for on a per unit basis and services accessed, such as transport, storage and marketing.

4.4.9 Decentralisation

The Government’s decentralisation policies will also assist the development of the private sector in rural areas. The Government supports local democratic participation by all citizens and will establish more effective, efficient and equitable public service delivery to support the nation’s social and economic development. The Government believes that governance should be as close to the people as is possible to provide self determination, dignity and the realisation of our peoples dreams and aspirations.

The Government will introduce a new tier of municipal government. Existing administrative jurisdictions at the sub-district and district levels will be merged to form new consolidated and efficient administrative units with representative assemblies at the present district level. These units will be better placed to deliver appropriate services to local citizens and will have sufficient capacity to perform their functions. We will need to develop and build our administration and management capability to introduce systems, processes and procedures in public management and local democratic governance. There will also be a critical need to develop human resources to effectively operate treasury and financial functions as well as develop, plan and monitor programs and service delivery at this level of government.

During the next five years the Government will be introducing the new level of municipal government, establishing 3-5 municipalities, in accordance with the *Strategic Development Plan*. However, before establishing municipalities it will be necessary to create the “Municipality Installing Committees”, after which the Government will carry out reviews in the 13 districts to determine which ones possess the minimum requirements for creating municipalities and establishing electoral processes.

4.4.10 Millennium Development Goals Suco Program

The Government will continue to support the Millennium Development Goals Suco Program that commenced in 2011. The Program will operate until the end of the mandate, building more than 55,000 houses, the equivalent of 5 houses per village every year, in the most appropriate areas and in accordance with local needs. At the moment there are 2,225 villages across Timor-Leste. The housing will include solar energy, water and sanitation. Local communities will be able to work together and help their most vulnerable neighbours by ensuring they have adequate housing.

4.4.11 National Program for Suco Development

A National Program for Suco Development will be implemented to accelerate development in all sucos across Timor-Leste in order to realise the goals of the *Strategic Development Plan 2011-2030*. Village communities will be directly involved in their own development through planning, construction and management of their own infrastructure. This program will provide grants to suco communities to accelerate development of infrastructure facilities, improve access to services and providing additional employment to suco communities.

The initial stage of the program will provide for community investment grants averaging around \$50,000 per suco. It will be an eight year program to strengthen suco communities' skills and access to infrastructure and services. It is envisaged that \$300 million would be invested over the life of the eight-year program with intensive training provided to community members and youth from all districts in participatory planning, civil engineering and financial management to equip them with the skills needed to support communities with implementing the program.

The success of this National Program will require the creation of interministerial technical working groups to support, monitor and evaluate its implementation.

4.4.12 Agribusinesses

The Government will encourage the private sector to provide development services, particularly in the agribusiness area that will be a large feature of rural private sector development. The Government will encourage agribusiness services in the following areas:

- Market research
- Market matching, such as facilitating contract farming agreements
- Developing marketing strategies
- Business appraisal and planning
- Policy and advocacy

- Training and technical assistance
- Technology and product development, and
- Financing mechanisms.

The Government will also assist the private sector to provide basic farm inputs, such as seeds, fertilisers and sprays to farmers, by promoting the emergence of private sector agricultural support services. Private sector provision of training for farmers will be encouraged, with a focus on increasing incomes through agribusiness. With limited coverage by public extension services, farmers will be encouraged to be better educated and be given access to short duration training courses.

The Government will support strategic agriculture extension – or training – campaigns. Industry experts will be required to develop extension and training materials to promote specific technologies and techniques or to address specific constraints, such as diseases for specific crops. Extension officers from the public and private sectors, including NGOs, will be trained on the application of these technologies prior to mobilising extension campaigns. Campaigns will be performance driven, have a wide coverage and encourage the emergence of private sector extension providers.

The Government will develop and execute strategic extension campaigns, through Public Private Partnerships, for the following commodities; coffee, vanilla bean, candlenut, coconut oil and bamboo.

4.4.13 Cooperative Sector Development Program

The Government will continue to support the formation of cooperatives to encourage private sector growth in rural areas with start-up funding and grants for training, capacity building and cooperative monitoring, as well as other types of support, including in terms of acquiring equipment. The program will continue to be supported as cooperatives are an ideal model for rural communities to undertake private sector activity in a variety of areas ranging from managing bamboo plantations, to chicken farming, fishing and weaving.

Government support will focus on building human resources and institutional capacity, by establishing a Training and Capacity Building Centre for Cooperative Groups, as well as providing in-kind subsidies to eligible cooperatives.

Grants will be available for in-kind equipment or tools that can be used to improve product quality, expand markets, establish market centres and promote products, as well as to improve infrastructure such as rehabilitating buildings to operate as cooperative headquarters.

4.4.14 Land tenure

Reform of the law relating to land tenure is of crucial importance for long-term private sector development of agriculture, particularly for commercial crops such as coffee and other potential agro-industries that need to attract investment.

Timor-Leste faces three types of land-reform challenges: farm land now under customary practices; urban land in need of zoning and clear property rights; and government land that can be used for public and private investment such as tourism or petroleum development.

The Government will seek approval and promulgation of the Land Law to assist in the securing of land title and investment certainty. The Government will implement fair and equitable rules protecting ownership and transfer of land, so as to meet the interests of traditional land owners and to allow for security of investment and certainty.

5. Consolidation of the Institutional Framework

Good governance and a professional, capable and responsive public sector are essential for the delivery of government services. Our public sector will also be the primary driver of economic growth in the medium term and will lay the foundation for our Nation's progress through developing our human resources and managing our infrastructure program. The Government will structure the public service to reflect the realities of the Timorese situation and to best drive the economy and jobs growth.

5.1 Economic Policy

5.1.1 National Development Agency

The National Development Agency is responsible for managing, monitoring and administering the *Strategic Development Plan 2011-2030* and large and complex national development projects. The National Development Agency is responsible for evaluating major infrastructure proposals and for monitoring and reporting on their execution. The NDA is also responsible for ensuring whole of government coordination, national planning and evidence-based policy development, and for monitoring and evaluating major government projects and programs.

The National Development Agency will continue to report to the Prime Minister and implement Government policy. It will be a critical body in the development of Timor-Leste and the creation of jobs for our people. As the National Development Agency develops its capacity, expertise and human resources, it will transition into the Economic Policy and Investment Agency.

5.1.2 Economic Policy and Investment Agency

As the National Development Agency develops, it will transition to the Economic Policy and Investment Agency. The Economic Policy and Investment Agency will build on the role of the National Development Agency and undertake a national planning function. This function will include:

- Planning, design and monitoring of strategic government programs and projects that promote growth, poverty reduction and job creation
- Ensuring broad based investment and job creation at national, district and sub-district levels, and
- Oversight of line ministries and monitoring the delivery of key programs

These functions will include economic planning and policy development to design approaches and initiatives that will drive Timor-Leste's development, economic growth, job creation and industry diversification. As the capacity of line ministries to deliver major projects increases, these ministries will take over substantive responsibility for project execution with the Economic Policy and Investment Agency undertaking monitoring and whole of government coordination functions.

The Economic Policy and Investment Agency will be advised by a Consultative Council that includes representatives of civil society, religious institutions, non-government organisations and youth and women's groups. The Economic Policy and Investment Agency will actively engage the Timorese community and undertake its functions with high levels of accountability and transparency.

The Economic Policy and Investment Agency will have the ability to commission independent research and advice on a range of economic, social and environmental issues affecting Timor-Leste and focused on ways to achieve a more productive economy – the key to higher living standards. This advice will be used to help the Government make policies that are informed by the realities of the Timorese situation, broad public consultation and the best international research.

5.1.3 Macroeconomic stability

The Government will further develop and improve its medium term macroeconomic framework in order to help quantify the fiscal resource envelope from 2012 to 2017. In particular, a policy on the extent of withdrawal of funds from the Petroleum Fund will be developed. This will set limits to the investments needed to support the *Strategic Development Plan 2011-2030* and encourage job creation in the economy and at the same time ensure that other key indicators such as the value of the petroleum fund and inflation are kept at prudent levels.

A multi agency technical working group on the macro-economy will be established to ensure that the views of a range of stakeholders are included in the development of the

macroeconomic framework. The Government will also strengthen the debt management capability within the Ministry of Finance to improve the macroeconomic framework and ensure that any Government borrowing is for productive purposes that will have a net benefit for the people of Timor.

5.1.4 Review of the tax base

As the economy develops, the *Strategic Development Plan 2011-2030* anticipates that the tax base will move away from relying on customs and trade and towards taxes on income and capital gains. The Government will therefore undertake a comprehensive reform of the taxation regime in order to widen the tax base and increase State revenue.

At the same time the Government understands the need to attract investment through a competitive tax regime and free economic zones to attract private business. Hence, increased domestic revenue will have to come from broadening the tax base, closing loop holes and strengthening the administration of tax collection.

The Government will consider a range of possible fiscal changes including the possibility of introducing a Value Added Tax but any decision will be taken following extensive consultation with our people, business leaders and other stakeholders to make sure that any changes work for the benefit our people.

Increased revenues will also come from managing autonomous agencies on a commercial basis so that profits are available to fund government initiatives. Using the profits of these organisations to provide essential revenues to support the program of Government will also mean that the Government provides greater financial oversight of these organisations.

5.1.5 Improving the ability of the National Budget to deliver services

The Government will link the Annual Action Plans more explicitly to the budget and develop financial reporting tools enabling the people to see exactly how their money is spent and the Government to have a better control over its operational spending.

The Government will also ensure that line Ministries are able to provide better services to the people by strengthening the corporate planning and budget execution process across Government. This will be done by training as well as by strengthening the ability of line Ministries in the use of Government financial management software.

The Government will also use these systems to improve the efficiency of Government expenses by introducing period offers for whole of Government procurements for items such as cars and computers to ensure better value for money and a standardisation of quality.

The Government will continue to improve the quality, accuracy, timeliness and usefulness of Government financial information by making sure all Government agencies are using these systems effectively and also continuing the process of reform of financial management software.

5.1.6 Transfer more funds directly to the districts and sucos

The Government will work to enhance its information systems infrastructure particularly to line Ministries and agencies in the districts. This will not only allow for better information and decision making in the rural areas but will also allow for the greater and more efficient disbursement of funds directly to agencies at the district and *suco* level.

The Government will also work with the banking sector and expand its Treasury functions to the districts to allow for more direct transfers of funds at the district and *suco* level. This will not only get funds directly to the places where they are needed most but will also help support the effort to stimulate the provision of credit in the more remote parts of our country.

5.1.7 Strengthen systems of accountability

The Government will strengthen the systems of accountability to our people by strengthening the monitoring and evaluation capabilities within key central agencies such as the Office of the Prime Minister and the Ministry of Finance. Detailed analysis such as public expenditure reviews will be done on a sector basis and regularly. These reports will be made public and will compliment on-going initiatives such as the citizen's guide to the National Budget.

Internal audit will also be strengthened across Government starting with the Budgets with larger budgets, to make sure government officials are following correct practices and managing the people's money properly.

5.1.8 Produce accurate and timely financial information for all stakeholders

The Government will continue to improve the quality, timeliness, accuracy and availability of statistical data for our people. We will continue to develop and entrench the use of technologies such as the Transparency Portals and compliment this by greater use of other media in order to make sure the information reaches all of our people. The Government will update the Transparency Portals on a regular basis, by way of the current electronic financial system (GRP – Government Resource Planning System), and to provide real time information where possible.

We will have more frequent household income and expenditure surveys in order to strengthen our understanding of the economy and also to provide information for other key analytical work such as poverty analysis. We will also continue the program of regular long term surveys such as the 2015 census.

Eventually, much of the statistical work will be carried out by an independent authority for the collation and distribution of national statistics.

5.2 Good Governance in the Public Sector

The civil service requires a sustained long term reform program to improve its capability to undertake its functions. Reform in areas such as management and leadership, systems and procedures, administration, accounting and finance, budget execution and procurement, knowledge and document management, and strategic planning is needed.

Good governance in the civil service is also of central importance. It ensures trust and public confidence in government and in our democratic institutions. Transparency and independent accountability are not obstacles to effective governing; rather, they ensure that we are governed well and that the interests of our people are served. Good governance also helps to prevent corruption. The key principles of good governance are transparency, accountability, integrity and leadership.

These principles drive good performance through promoting risk management, accountability for results, mechanisms for citizens to make complaints that can help to identify and address problem areas, and the proper use of public money. Transparency is the best protection against unethical behaviour and is the best way to achieve an ethical civil service culture and promote personal accountability.

Significant governance initiatives that have already been implemented include the following landmark reforms:

- Establishment of the Civil Service Commission
- Establishment of the Anti-Corruption Commission
- Increased powers of the Office of the Inspector-General to enable it to act independently in the inspection and audit of government ministries and agencies, and
- Establishment of a Chamber of Accounts.

These reforms are progressing in order to build a culture of accountability and openness in our civil service and create important civil institutions that are independent of executive government. The Government will continue to support these reforms. In particular, it will support the Anti-Corruption Commission being provided with all the resources and funds that it requires to undertake its important mandate. The Anti-Corruption Commission has been methodically building its capacity and has proved itself to be a central and critical institution in the fight against corruption. The Government will continue to give this institution its full and committed support.

While there has already been significant progress made in public sector and good governance reform, a new phase of reform is necessary to build a public sector able to meet the challenges ahead.

The Government will embark on a reform program that focuses on:

- Providing certainty amongst all civil servants regarding their functions, job descriptions, duties and responsibilities
- Increasing the education levels, skills and capacity of public sector workers
- Instituting improved performance management
- Improving information technology to support service delivery
- Ensuring adequate knowledge and document management
- Improving knowledge of and adherence to civil service values including professionalism, responsiveness and impartiality, and
- Developing a public sector organisational structure that is best suited to deliver the best possible results.

The Civil Service Commission will continue to be tasked with the role of implementing a long-term program to ensure that our civil service:

- Adheres to its values and code of ethics
- Makes employment decisions based on merit and equity
- Is professional, honest and responsive to the government of the day
- Is politically impartial, and
- Has a strong service delivery focus.

This will be the role of the Civil Service Commission, in addition to tasks related to discipline and misconduct and the implementation of a grievance system.

The accountability of civil servants will be further improved through regular evaluation of actual performance against work plans. These performance reviews will focus on the achievement of outcomes and results. The performance management framework to support this will be developed and driven by the Civil Service Commission working with ministries and civil servants.

We need to build a capable public service that can deliver the services our people deserve and need. It is also a priority to develop a civil service that operates without reliance on international technical assistance.

The Government will develop and implement an intensive civil service human resource development program that is linked to our strategic and workforce development objectives. This will involve the delivery of systematic, targeted and job-relevant training and professional development approaches.

The Human Capital Fund will provide funding support to build the human resources we need for effective, accountable government in the years ahead. The Fund will cover the costs of training and professional development for our civil servants, including overseas scholarships and short-term travelling fellowships.

The Government will build on Timor-Leste's foundation of good governance with the following three key reforms.

5.2.1 Whistle blower protection legislation

'Whistle blowers' are civil servants or other officials who bravely raise acts of corruption, fraud and illegality they see in their workplaces with authorities. This could include gross misconduct, corruption, maladministration, fraud or significant dangers to public health or safety. To protect whistle blowers from reprisals and harassment, the Government will implement the legislation approved by the National Parliament to provide whistle blowers with protection from harassment and civil and criminal liability for making a disclosure in the public interest. This legislation will also make it a criminal offense to take reprisal action against a civil servant who has made a disclosure. This legislation will protect whistle blowers who make a disclosure about government misconduct.

5.2.2 Code of Conduct for Members of the Government

A Code of Conduct for Members of the Government will be developed and made operative. This code will provide strict rules and duties in regard to issues such as conflicts of interest and commercial activity, as well as the provision of information on the staffing and costs of ministerial offices. It will require all gifts above a certain value to be registered on a State gifts register.

5.2.3 Freedom of Information law

Transparency and government openness imply that citizens have the right to access information about them held in government files. While the State in Timor-Leste has to first strengthen its information and file management processes and networked computer storage systems, the medium term goal is to promote freedom of information.

During the term of the Fifth Constitutional Government legislation will be introduced to the National Parliament to provide a right of citizens to access information held by the government that impacts upon them, as long as it is not against the public interest. While international best practice provides exceptions for information that impacts upon national security, commercial confidentiality, individual privacy and the confidentiality of Council of Ministers discussions, the legislation will provide a broad right of all Timorese citizens to access government documents that impact upon them.

5.2.4 E-Government

During the last few years it has become increasingly important for Governments around the world to communicate with their citizens using the Internet. The Internet is also often the first place people outside Timor-Leste go to find out information about our Nation.

The Government will therefore continue to develop information about Timor-Leste and Government activates available on-line and increase the services available to Timorese citizens on-line through a new “e-government” initiative.

We will build on the current government website to link all government Ministries and agencies on a digital platform providing an interface between citizens and the government. Currently, each line ministry and agency has their own websites, which are not appropriately linked together, and each have a different design, user interface and limited effectiveness. The new, consolidated whole-of-government online portal will be a whole of government approach to allow citizens, visitors and investors access to information.

The new system will also expedite the delivery of government services by allowing easy access to government services that can be provided over the Internet such as drivers license renewals, business registration applications, grant applications, visa forms and information, bookings for major events and conferences, paying for electricity and other services, making building approval applications and civil service grievance complaints as well as on-line contact with members of government. The new web platform will be the portal for people to access whole of government information and to have an interactive experience with government Ministries and agencies.

5.3 Peace, Stability and International Relations

The people of Timor-Leste fought against foreign occupation for 24 years without external support to achieve the Restoration of Independence. The impact of this struggle created unique challenges for the consolidation of our internal security after independence. The goal of the Government will be to continue to ensure our people the freedom of living in a stable and secure Nation that recognises the rule of law and provides justice and security to vulnerable members of our society.

The Government will continue its efforts in the development of transparent, accountable and competent institutions across our security sector. We will also use foreign relations to guarantee the security of our people and to enhance economic development with our many neighbours and friends around the world.

5.3.1 Defence

The Government will ensure that F-FDTL has the capacity to defend our Nation while supporting our internal security and contributing to efforts to tackle threats to regional and global peace and stability.

The Government will continue to assess, monitor and address transnational threats such as organised crime, drug trafficking, terrorism, environmental degradation, climate change and natural disasters because they may threaten the lives of our people. Within the next five years we will operate the military as a conventional professional defence force under democratic control. We will restructure and reorganise the F-FDTL to make sure it has the human resources capabilities for a high level of operational readiness for a broad range of missions.

We will establish a Defence Human Resources Management System to develop our soldiers with a focus on addressing the areas of leadership, motivation, performance, cohesion, and decision making. The Government will also expand the level of coordination and cooperation between the F-FDTL and the PNTL to clearly define the roles and responsibilities of each.

The Government will strengthen the National Defence Institute so that it can carry out its tasks in full.

The Government vows to support veterans to retire with dignity and to enable women to have an increasingly greater role in national defence. The Government will also build the capacity of the F-FDTL Engineering Corps to be able to have an active participation in national development. We will strive to deploy F-FDTL into United Nations peace keeping operations and we will enhance our Command, Control, Communications, Computers and Intelligence (C4I) systems capability by 2015. We will also look to expanding our participation in regional and international military exercises.

5.3.2 Security

The Government will implement a comprehensive and long-term strategic plan to make sure the security sector can undertake its role of ensuring peace, safety and stability to our People.

In the area of internal security we will be basing our work on the *Strategic Development Plan 2011-30*. During this mandate the Government will focus its efforts in *Strengthening and Consolidating Security Bases* by acting in two different pillars: the continuation of the *Reform and Development of Security Institutions* and the consolidation of *Public Order and Safety*.

As such, during the next five years we will continue to strive to perfect the effective operational capacity in terms of preventing and investigating crime, as well as

consolidating public safety and border control. We will also continue to encourage the community policing model and we will maintain public stability and safety as key responsibilities of the PNTL.

The Government will establish a human resource plan and a plan to professionalize security institutions, guiding recruitment in training so as to meet current and future needs.

During the next five years we will establish a clear career regime for the PNTL, which will allow the absorption of new resources that are apt to this institution. This in turn will allow the PNTL to release less apt members or members who have already attained the retirement age. The Government will not tolerate the existence in the PNTL of members affiliated with Martial Arts groups or those with activities connected to political parties.

In the next five years we will establish and build a National Operations Centre and will focus on road safety. We will develop this centre's human resources in order to meet the growing challenges that Timor-Leste faces in this area.

The Government will also complete its program of supporting the equipment and professional needs of Civil Protection, namely fire-fighters, in view of expanding them to the Districts.

We will also strengthen the National Directorate for Prevention of Community Conflict in order to consolidate trust and law and order in our communities.

5.3.3 Justice

The Government will continue to strengthen the justice sector in order to consolidate stability, peace and the rule of law.

After initial efforts to overcome weaknesses within the justice system, the Government will continue developing the sector to fulfil its constitutional aims and values and bring justice services closer to our citizens.

The Government will continue to strive to ensure recognition of the supremacy of the law and the Constitution, thus contributing to the construction of a society that is freer, fairer and more equal. Consequently the Government will continue to be committed to strengthening the independence of the magistrates, the autonomy of the Public Prosecution and the professionalism of the legal profession. The Government will create conditions to enable citizens to exert their rights, freedoms and guarantees in full, particularly by ensuring that citizens have access to law and to the courts.

In terms of legislation, the Government will seek to use simple language so as to continue to promote dialogue with the civil society and to enable public consultation during lawmaking. The Government will focus on capacity building and specialisation of

national staff to reduce the dependence on international advisors and to promote the gradual replacement of international advisors with nationals.

The Government will focus on making justice services available in the districts. Justice institutions will deploy additional magistrates, prosecutors and public defenders throughout the territory. The Government will make available public notary and registry services and services to promote and socialise rights and laws. The Government will regulate and promote alternative means for solving litigations, such as mediation, refereeing or conciliation, particularly in matters concerning labour, family or land disputes.

The Government will continue to play the important role of ensuring the rights of children and minors. The Government will make sure that public authorities consider the interests of children as a key concern.

The Government will promote the creation of a youth justice system by adopting an education model in which the application of measures is determined by the need to educate children in the law and to promote their wellbeing, thus contributing to peace and order in society.

The Government will ensure the proper mechanisms for achieving a humane prison system that is fair, safe and directed to social reinsertion, favouring measures other than imprisonment for young adults.

The Government will continue to promote legal security and criminal justice by providing technical and human capacity building in the areas of criminal investigation, legal medicine and other forensic sciences. We will continue strengthening investigation capability and techniques, strategies and planning, collection and analysis of evidence, and techniques to investigate more complex crimes, such as organized crime, corruption, and money laundering, as well as domestic and sexual crimes.

The Government will also continue its interest in strengthening the democratic control and transparency of the Chamber of Accounts.

The Government will continue to give particular attention to the process to regularize land property, promoting the registration of private property tiles and ensuring efficient mechanisms to manage public and private assets under the responsibility of the State.

The system of justice is a pillar of the Rule of Law and one of the key sovereignty functions of the State. As such, the Government, through the Ministry of Justice, will continue its promotion of a society that is based on democratic, ethical and just principles and values.

5.3.4 Foreign Affairs

Timor-Leste has a highly strategic geographic location and our natural resources wealth and our security will continue to depend on maintaining positive relationships with our overseas neighbours and friends.

The Government will continue to develop special relationships with our closest neighbours, such as Indonesia and Australia, as well as with our development partners and friends throughout the world. We will also continue to strengthen bilateral relations with our regional partners and to strive to become a member of the Association of Southeast Asian Nations (ASEAN) and to establish new cooperation with countries in the Asia-Pacific region and in other parts of the world.

Timor-Leste believes that multiculturalism is an effective mechanism for solving global problems. As such, the Fifth Constitutional Government will continue to take active part in multilateral forums, particularly in the General Assembly of the United Nations, as well as in international institutions and organizations that have relevance to our world interests, including human rights and democracy, environment, the fight against international terrorism and other international crimes, and the reform of the Security Council.

In 2014, Timor-Leste will preside over the CPLP and will continue to work closely with this important group of Portuguese-speaking nations. The Government will also continue to lead and support the group of fragile nations known as g7+.

5.3.5 Bilateral relations

The Government will continue to follow our constitutional principle of having friendly bilateral relations with all countries in the world, regardless of their size, location or ideology.

We shall continue our excellent relationship with the United States of America, taking into account its valuable contribution towards maintaining our security as well as towards our development. We will also maintain a strong and positive relationship with Japan, China and South Korea, which are the main economic powerhouses in our region. We shall strive to strengthen ties of cooperation with our brothers and sisters of the CPLP and ASEAN, as well as with the island countries of Cuba, New Zealand and Ireland, each of which has made significant contributions to our development.

5.3.6 Foreign relations capability-strengthening

The Government will develop and publish a Foreign Policy White Paper that sets out a comprehensive vision for Timor-Leste's foreign policy and our stand on key international issues. The White Paper will examine the strategic, economic and political

developments that will impact our Nation and will outline the means available to us to safeguard our interests.

We will develop the Statute of the Diplomatic Career, regulating the services and tasks of the staff of the Ministry of Foreign Affairs and Cooperation, and we will draft another law to bring dignity to our diplomatic representations abroad. Additionally we will develop the Law on State Protocol, in order to serve and dignify State bodies and representatives in Timor-Leste and abroad.

We will develop specialised training in diplomacy and in English language studies through the Human Development Capital Fund, as well as through bilateral cooperation agreements with other countries. We will enhance the Ministry's Diplomatic Studies Centre so as to improve the capacity of our human resources and to defend our interests abroad.

The Government will increase and expand our diplomatic missions throughout the next five years, with the possibility of setting up embassies in some of the countries considered to be the most important as well as opening consulates in those countries with largest Timorese communities.