



**PROPOSED ZERO DRAFT FOR THE
DEMOCRATIC REPUBLIC OF TIMOR-LESTE:
December 2022**

NOTE TO READER

This is a first draft for the proposed Timor-Leste Climate Change Framework law, prepared by Da Silva Teixeira & Associados and Pollination. Whilst this draft law has been prepared in accordance with the existing national climate change policy and Timor Leste's 2022 updated Nationally Determined Contribution under the Paris Agreement, no additional feedback has been incorporated. We propose to commence consultations based on this first draft of Timor-Leste's climate change framework law.

DEMOCRATIC REPUBLIC OF TIMOR-LESTE

PROPOSAL OF LAW

NO. ____/____

CLIMATE CHANGE BASE LAW

EXPLANATORY STATEMENT

The Timorese people have a strong connection to their surrounding environment, both for survival and for cultural and anthropological reasons, reflected in the Timorese Resistance's vision of "making a garden of Timor-Leste".

The Constitution of the Democratic Republic of Timor-Leste (**Timor-Leste Constitution**) states that everyone has the right to a humane, healthy and ecologically balanced environment, a duty to protect it and improve it for the benefit of future generations, and highlights the need to preserve and value natural resources and the importance of promoting actions aimed at protecting the environment and safeguarding the sustainable development of the economy. The State acknowledges that climate change constitutes a threat to these rights, freedoms and guarantees, including the right to private property, the right to health and medical assistance and health care, the right to housing and the right to a humane, healthy and ecologically balanced environment. The Timor-Leste Constitution also notes that the exploitation of natural resources shall preserve ecological balance and prevent the destruction of ecosystems.

In recognition of the commitment of the Democratic Republic of Timor-Leste in the fight against climate change and the need to provide an effective answer on climate change to island states, the National Parliament has ratified several international conventions, treaties and agreements, including the United Nations Framework Convention on Climate Change (**UNFCCC**) and the UNFCCC Paris Agreement (**Paris Agreement**). Domestic legislative frameworks are required to be developed and established to fully adopt and implement these international conventions, treaties and agreements.

In accordance with the constitutional framework and international law applicable in the Timorese legal order, the Government undertook to implement a set of actions to contribute to a less polluted environment and to mitigate the impacts of climate change, namely the translation into national legislation and implementation of measures and standards adopted in international conventions such as the UNFCCC and the Paris Agreement.

The Timor-Leste Strategic Development Plan 2011-2030 (**Strategic Plan**) also echoes concerns over climate change, by defining strategies towards the fundamental objective of eradicating extreme poverty through sustainable development of the economy. The first step that the Strategic Plan identifies for the sustainable

management of Timor-Leste's natural resources and environment is the enforcement and preparation of comprehensive legislation on environmental protection and conservation to comply with constitutional and international obligations.

In this context, through Government Resolution no. 8/2022 of 1 March 2022, the Government has approved the Climate Change National Policy with the objective of establishing the political principles that will guide policy development to tackle climate change issues. Such policy development will be supported through the establishment of a national, binding legislative instrument that will reinforce the grounds on which climate change policies are implemented in Timor-Leste.

On 8 November 2022, the Timor-Leste Government submitted a revised and enhanced Nationally Determined Contribution (**NDC**) to the UNFCCC, which builds on Timor-Leste's original NDC from 2016 and further articulates national intentions to integrate climate risk management into all sectoral policies, planning processes, implementation strategies and investments, to be supported through this Law.

In addition to complying with the Timor-Leste Constitution, Timor-Leste's international obligations, the approved Climate Change National Policy and the NDC, this Law aims to establish a basic legal framework to foster the participation of the State and private persons in the opportunities of economic development and improvement of the population's livelihoods, especially in rural areas, that the growth of the global green economy will present in the coming years.

The Government submits to the National Parliament, pursuant to Articles 97 (1) c) and 115 (1) a) of the Constitution, the following Proposal of Law.

CHAPTER I GENERAL PROVISIONS

Article 1 Scope

Note to stakeholders: We have suggested this scope as a starting point but are open to more ambitious general principles and scope. To be discussed during stakeholder consultations as to the ambitions and goals of the framework climate change law appropriate for the national circumstances of Timor-Leste.

This Law may be cited as the Climate Change Base Law [2023] and establishes overarching national climate policy foundations, orienting principles of climate action and the rights and duties of citizens in climate matters.

Article 2 Definitions

Note to stakeholders: We have suggested the below definitions, many of which are based on UNFCCC definitions. Amendments to be made if required to be more appropriate for the Timorese experience/context. Additional definitions can also be added, subject to further discussion and consultation.

For the purposes of this Law, the following terms mean:

- a) «**Adaptation**», the adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities;
- b) «**Afforestation**», planting of new forests on lands that historically have not contained forests;
- c) «**Biodiversity Protection and Conservation Legal Framework**», the Decree-Law no. 6/2020, of 6 February, as amended or replaced from time to time;
- d) «**Blue Carbon**», the carbon captured by living organisms in coastal (e.g., mangroves, salt marshes, seagrasses) and marine ecosystems, and stored in biomass and sediments;
- e) «**Carbon Capture and Storage or CCS**» the process that consists in the separation of CO₂ from industrial and energy-related sources and respective conditioning, compression and transport to a storage location for long-term isolation from the atmosphere;
- f) «**Carbon Market**», trading system through which countries may buy or sell units of greenhouse gas emissions in an effort to meet their national limits on emissions, either under the Kyoto Protocol or under other agreements;
- g) «**Climate**», the normal meteorological conditions, which may be statistically described by the average values, extremes and by variability through a certain period of time;
- h) «**Climate Change**», a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and

which is in addition to natural climate variability observed over comparable time periods;

- i) «**Co-benefits**», non-emission reduction benefits arising from emissions reduction activities which have positive social and environmental impacts;
- j) «**Companies**», “commercial companies” as defined in the Law no. 10/2017, of 17 May, as amended or replaced from time to time;
- k) «**Decarbonisation**», the process by the State and private persons to progressively reduce CO₂ emissions to the atmosphere resulting from the use of fossil fuels as sources of energy until its total replacement by renewable sources of energy;
- l) «**Deforestation**», conversion of forest to non-forest;
- m) «**Environmental Base Law**», the Decree-Law no. 26/2012, of 4 July, as amended or replaced from time to time;
- n) «**Greenhouse Gases**», atmospheric gases responsible for causing global warming and climate change. The major GHGs are carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). Less prevalent but very powerful greenhouse gases are hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆);
- o) «**Internationally Transferred Mitigation Outcomes or ITMOs**», the carbon credits established in Article 6.2 of the Paris Agreement;
- p) «**Mitigation**», a human intervention to reduce the sources or enhance the sinks of greenhouse gases;
- q) «**National Electricity System**», the set of principles, organisations, agents, electrical installations and equipment associated with the generation, transmission, distribution and measurement of electrical energy supplied to consumers in the national territory;
- r) «**Nationally Determined Contribution or NDC**», the communication submitted in accordance with Article 4 paragraph 2 of the Paris Agreement indicating Mitigation and Adaptation efforts at the national level to achieve the objectives of the Paris Agreement;
- s) «**Paris Agreement**», the Paris Agreement under the United Nations Framework Convention on Climate Change signed in New York by the Timor-Leste Minister of Commerce, Industry and Environment on 22 April 2016 and ratified by the Resolution of the National Parliament no. 11/2017, of 17 May 2017;
- t) «**Precursors**», atmospheric compounds that are not greenhouse gases (GHGs) or aerosols, but that have an effect on the concentration of such gases or aerosols by taking part in physical or chemical processes regulating their production or destruction rates;
- u) «**Public Administration**», the system of bodies, services and agents of the State and other public entities that aim to achieve regular and continuous satisfaction of public needs.
- v) «**Reforestation**», replanting of forests on lands that have previously contained forests but that have been converted to some other use;
- w) «**Sink**», the natural or artificial reservoir where a greenhouse gas, an aerosol or a precursor of a greenhouse gas is stored, namely the soil, trees or other plants; and
- x) «**UNFCCC**», the United Nations Framework Convention on Climate Change, adopted in New York on 9 May 1992 and ratified by Timor-Leste under the Resolution of the National Parliament no. 7/2006, of 26 April 2006.

Article 3 Application

1. This Law applies to any activities undertaken within the national territory of Timor-Leste, including its airspace, internal waters, territorial seas, contiguous zones, exclusive economic zones, continental shelf and the seabed and subsoil underlying those waters.
2. Emissions from international aviation or international maritime shipping are not considered as emissions from sources in Timor-Leste for the purposes of this Law.

Article 4 Objectives

Note to stakeholders: As above in relation to the scope of this law, we have suggested below some options for the objectives of this framework climate change law (proposed Article 4) as well as key principles (proposed Article 5). We also note that the views of various ministries need to be sought as per the climate change policy of Timor-Leste which outlines the various portfolios and remits for each ministry with respect to climate change. To be discussed with stakeholders as to what is appropriate for inclusion or addition.

The objectives of this Law are to:

- a) [Establish the legal framework necessary to develop transparent and long-term climate change Mitigation measures and policies that protect and boost the regeneration of ecosystems and biodiversity and under which ambition can be increased over time;
- b) Establish institutional and governance structures necessary for the implementation of this Law;
- c) Strengthen national capacity to address Adaptation and resilience to climate change;
- d) Ensure compliance with international obligations under UNFCCC and the Paris Agreement and support the implementation of Timor-Leste's NDC (as updated from time to time);
- e) Promote committed and ambitious participation in international negotiations and international cooperation in climate matters;
- f) Ensure climate justice, guaranteeing the protection of the most vulnerable communities to the climate crisis, the acknowledgement of citizens' fundamental rights, equality and collective rights over common assets;
- g) Ensure good public governance in climate matters through the strengthening of coordination between public administration bodies;
- h) Promote a sustainable and irreversible trajectory of reduction of greenhouse gases anchored in the maintenance of existing sinks and creation of new sinks through nature-based solutions;
- i) Establish a framework for the implementation of monitoring, reporting and verification systems of anthropogenic emissions by sources and removals by sinks;
- j) Promote and facilitate the transparent implementation, at all levels of government and society, of climate Mitigation and Adaptation measures;

- k) Promote economic growth and jobs creation through the establishment of a legal framework that promotes long-term legal certainty and security and facilitate the transition to a green and sustainable economy, through fostering access to international carbon markets and the implementation of emission reduction projects, programs and activities;
- l) Promote the use of renewable sources of energy and their integration into the National Electricity System;
- m) Combat energy poverty through the improvement of housing conditions and fair access of citizens to renewable energy sources;
- n) Integrate an analysis of risks associated with climate change, based on the best available scientific data, in all legislative measures, larger-scale public investments and national and sectoral planning and investment decisions;
- o) Promote and value the broad participation of traditional and local leaderships and civil society in climate matters;
- p) Implement spatial and town planning policies that prevent the construction of new buildings in areas of high climate risk;
- q) Stimulate the relocation of families that live in areas of high climate risk and that do not have access to basic infrastructure;
- r) Stimulate education, innovation, investigation, knowledge and development and adopt and disseminate technologies that contribute to such purposes;
- s) Safeguard national security and sovereignty over all territory, including maritime areas; and
- t) Create the necessary conditions to attract national and foreign regenerative investment in projects that contribute the achievement of the objectives of this Law.]

Article 5 Principles

Without prejudice to other principles that apply to environmental and sustainable development matters, including those established under the Environment Base Law and the Biodiversity Protection and Conservation Legal Framework, this Law shall be implemented in accordance with the following principles:

1. [Economic integration, according to which the impacts of climate change shall be considered in economic investments and activities, both public and private;
2. The precautionary principle and the taking of precautionary measures to anticipate, prevent or minimise the causes of climate change and mitigate its effects; where there are threats of serious or irreversible damage, lack of full scientific certainty should not be used as a reason for postponing such measures, taking into account that policies and measures to deal with climate change should be cost-effective;
3. Regulatory integration, according to which all State entities shall ensure that any relevant decision made and any relevant policy, programme or process developed or implemented by the State entity after this Law comes into force is consistent with:
 - a) the provisions on climate change Adaptation and Mitigation set out in this Law; and
 - b) international conventions, treaties and agreements regularly ratified by Timor-Leste, as well as resolutions made by bodies instituted by such conventions, treaties and agreements, namely the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

4. Subsidiarity, according to which the State shall ensure that planning, decision-making and climate public policy evaluation procedures shall efficiently involve the Municipalities and the Sucos, in a way that favours their intervention where issues are within their competences and powers; central administration bodies shall only intervene if the objectives of the proposed action:
 - a) cannot be sufficiently achieved by the Municipalities or Sucos; and
 - b) by reason of the scale or effects of the proposed action, can be better achieved at the central administration level;
5. Participation, according to which citizens' environmental associations shall be involved in planning, decision-making and evaluation of climate public policies;
6. Sustainable development, according to which natural and human resources shall be used in a balanced way, in consideration of the duties of solidarity and respect for future generations and other species that coexist on the planet;
7. Sustainability, according to which the general state budget of sustainable financial resources shall ensure the full implementation of climate policies by the bodies of the public administration;
8. Environmental protection, according to which the prevention and Mitigation of related environmental risks shall be ensured, in articulation with the Environment Base Law;
9. Common but differentiated responsibilities, in light of Timor-Leste's national circumstances, acknowledging in particular Timor-Leste's development status and the vulnerabilities of Timor-Leste to the impacts of climate change;
10. Equity and social inclusion, according to which Mitigation and Adaptation actions to climate change impacts shall promote a differentiated treatment in accordance with the different social conditions of citizens, in compliance with strict criteria that ensure climate justice between the most and least favoured as well as between generations;
11. Integration of gender, according to which climate public policies shall include gender equality considerations, including promoting parity between men and women in climate action structures;
12. Value of scientific knowledge, according to which decisions in climate matters shall be based on the best available scientific knowledge;
13. Value of traditional knowledge, according to which local communities shall play a fundamental role in the implementation of Mitigation and Adaptation actions and benefit in an equitable manner from the income resulting from the use of such knowledge;
14. International cooperation, according to which climate action shall occur at both national and international level, and recognising that the implementation of most advanced technologies for the global decarbonisation depends on institutional and economic cooperation among the states; and
15. Information, according to which citizens have the right to be informed on the impacts of climate change and on the Mitigation and Adaptation measures carried out by public and private institutions in accordance with this Law.]

CHAPTER II CLIMATE RIGHTS AND DUTIES

Note to stakeholders: Under some systems of law (e.g. Portuguese), rights and obligations on individuals are clarified under climate framework laws, but this may not be appropriate in the TL context. For example, if there was sufficient protection under the constitution for individual rights with respect to climate, this chapter may not be required. This chapter is not the most essential but it is worth discussing with stakeholders whether this law is an opportunity to set out or clarify certain rights and/or obligations on individuals. We make the following suggestions in this context.

Article 6 Climate rights

1. Timor-Leste citizens have the right to a clean, healthy and sustainable environment under the terms established in the Timor-Leste Constitution and international conventions, treaties and agreements applicable in the Timorese internal legal system.
2. The right referred to in paragraph 1 above includes:
 - a) the right of defence against the impacts of climate change; and
 - b) the right to demand from public and private entities compliance with climate duties and obligations to which they are bound.
3. Timor-Leste citizens have the right to intervene and participate in administrative procedures regarding climate policy.
4. [The State] shall facilitate public participation through public consultations, in the form of traditional written submission, and information and debate sessions between Timor-Leste citizens and those responsible for decision-making in relation to climate policy, either:
 - a) by the initiative of the Administration; or
 - b) through a submission of at least [30] Timor-Leste citizens.
5. For the purposes of paragraphs 3 and 4 above, information in a clear, systematic and easily accessible way shall be provided to all Timor-Leste citizens.
6. Full and effective protection of legally protected rights and interests on climate matters shall be guaranteed, including the rights to:
 - a) file judicial proceedings for the defence of subjective rights and legally protected interests and for the exercise of the right of citizen action;
 - b) promote the prevention, cessation and reparation of risks to a clean, healthy and sustainable environment; and
 - c) obtain adequate judicial orders for the immediate cessation of an activity that causes a threat or damage to a clean, healthy and sustainable environment.

Article 7 Climate duties

1. Timor-Leste citizens shall aim to be climate citizens through:
 - a) protecting, preserving, respecting and ensuring the safeguarding of a clean, healthy and sustainable environment; and
 - b) contributing to climate change Mitigation.

2. The State shall be responsible for promoting climate citizenship on political, technical, cultural, educational, economic and legal levels.

CHAPTER III GOVERNANCE FOR CLIMATE MATTERS

Note to stakeholders: As outlined in our options paper dated 15 August 2022 (Options Paper), it has been suggested for consideration by the TL government, the introduction of a centralised climate change advisory committee (see section 3.4 of Options Paper). This chapter and the below articles have been suggested to capture this. Feedback to be obtained from TL Government stakeholders including in relation to the proposal generally, potential members and responsibilities.

Article 8 Establishment of a National Council for Climate Action

1. The National Council for Climate Action (**NCCA**) is hereby established.
2. The NCCA shall have advisory functions and enable the participation of social, cultural and economic forces to aim to achieve consensus in relation to climate policy in Timor-Leste.
3. The NCCA shall be an independent body without legal personality and judicial capacity and shall not be subject to any powers of the Government, and shall be supported by a technical assistance structure that integrates the services of the National Parliament to provide technical guidance to the National Parliament.
4. The NCCA's mission shall be to collaborate with the National Parliament and the Government through the preparation of studies, assessments and opinions on climate action and related policies, decisions and programmes.
5. The NCCA's responsibilities include, but are not limited to:
 - a) Issuing opinions and recommendations on climate matters and sustainable development, on its initiative or upon request from the members of Government responsible for climate, public entities or environmental organisations;
 - b) Monitoring the application and development of the provisions in this Law;
 - c) Providing views regularly on decarbonisation strategies for the economy, in accordance with international conventions, treaties and agreements applicable in the Timorese legal system, namely the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;
 - d) Submitting [every 5 years] recommendations on the development of energy and transportation infrastructures;
 - e) Commenting, upon request from the National Parliament or the Government, on the preparation, discussion and approval of legislative acts, reports and instruments of public policy in climate matters, including the greenhouse gas emissions reduction targets that the NCCA considers should be included in any new NDC;
 - f) Issuing opinions on the State Budget and the State General Account on issues of climate action;
 - g) Publishing reports and opinions or any other works issued or prepared within its competences; and
 - h) Approving the annual activities plan and respective report.

Note to stakeholders: We have suggested some of the timeframes in this zero draft as proposed timeframes, but further consideration should be given to key dates under the Paris Agreement (such as the stocktake process and reporting requirements) to align the TL law with the key dates under the Paris Agreement. This can be finalised when we have a better sense of when this law may be passed.

6. The organisation, functioning and status of the NCCA and the technical assistance structure mentioned in paragraph 3 shall be established by a Resolution of the National Parliament.
7. The following entities shall form the NCCA membership:

Note to stakeholders: the following has been suggested based on similar concepts under Portuguese law.

- a) A president, appointed by the National Parliament;
- b) Three members appointed by the Council of Ministers, one of which to be designated by the Minister responsible for climate action;
- c) A member appointed by the Authority of the Special Administrative Region of Oé-Cusse Ambeno;
- d) A member appointed by the Municipalities;
- e) A member appointed by the Sucos;
- f) A member appointed by the environment and climate protection associations;
- g) A member appointed by the associations of industry and trade;
- h) A member appointed by the associations of agricultures;
- i) A member appointed by the Deans of the Universities of Timor-Leste; and
- j) Three members co-opted by the members of the council from among persons of recognised standing and merit in the field of environment and climate change, in the terms established in the Resolution of the National Parliament referred in the preceding paragraph.

Article 9

Policy coordination

1. Climate change Mitigation and Adaptation shall be considered by [the relevant government authority]/[all authorities and ministries] in the planning, execution and evaluation of sectoral policies and in the development of economic, social and political activities, ensuring integration, coherence and complementarity.
2. The State shall develop climate policy, through relevant State bodies and the mobilisation of citizens, social and economic stakeholders.
3. The Government [and the NCCA] shall coordinate, supervise and oversee Timor-Leste's contribution to global climate policy, subject to delegation of competences on one or more public entities.
4. The Government shall promote interministerial, local and international coordination of climate policy.
5. The State shall ensure access to information and incentivise the active participation of citizens and businesses in the planning, decision-making and evaluation of climate policy.

Article 10

Assessment of climate impacts of legislation

[[The relevant government authority]/[All authorities and ministries] shall assess the impacts on or related to climate change due to the introduction of new legislation, and make such assessment public prior to the passing of the relevant legislation.]

Article 11

National Action Strategy for Climate Change

1. The [Government] shall develop and present to the National Parliament a Climate Change National Action Strategy (**CCNAS**), to be valid for a period of [5 years], as updated from time to time.
2. The CCNAS shall constitute the national strategy for the referred period and shall include policies on climate change Mitigation and Adaptation of the territory, communities and economic and social activities, together with an assessment of the risks and impacts of such policies.
3. The CCNAS shall:
 - a) Provide for the development of a low carbon strategy aligned with the provisions of the Paris Agreement and with the fundamental objective of limiting global temperature increase to 1.5°C above pre-industrial levels;
 - b) Introduce and implement fiscal incentives and national levies with the purpose of—
 - i Limiting or reducing Timor-Leste’s greenhouse gas emissions, including in relation to particular sectors or industries;
 - ii Enhancing the conservation of natural sinks, particularly within natural protected areas and ecological conservation zones;
 - iii Encouraging public and private investment in renewable energy and efficient cogeneration technologies, energy efficient infrastructure and zero-waste infrastructure and processes; and
 - iv Enhancing environmental protection of land and ocean carbon sinks;
 - c) Develop policies for the construction of sustainable, low-emission, energy-efficient and climate-resilient infrastructure and buildings;
 - d) Implement programmes that:
 - i Raise awareness of the impact of patterns of production and consumption in the generation of greenhouse gas emissions and compounds; and
 - ii Promote patterns of sustainable production and consumption in the civil, social and private sectors;
 - e) Provide clear policy guidelines on the creation of conditions to reduce national economic dependence on the oil and gas sector and foster economic diversification that enables sustainable low carbon development through the involvement of the private sector and development partners to obtain the financial resources, technical support and transfer of knowledge necessary to that purpose;
 - f) Seek to increase the capacity of carbon sequestration through retention of existing sinks and creating new sinks through nature-based solutions;
 - g) Provide for sectoral policies that aim to limit global temperature increase to 1.5°C above pre-industrial levels;
 - h) Identify strategies and plans to reduce emissions and minimise the emissions intensity of industry operations; and

- i) Increase transparency through the establishment of an online database that provides information on all extractive companies operating in the petroleum sector throughout the 2022-2030 period in keeping with recommendations made by the Extractive Industries Transparency Initiative and best practice.
4. The following considerations should be taken into account in the preparation of the CCNAS:
 - a) regional and international technological, political, economic, fiscal, social and energy circumstances;
 - b) the precautionary principle;
 - c) the polluter pays principle; and
 - d) cost-efficiency assessments and environmental impact assessments of the measures to be adopted.
5. The NCCA shall issue an opinion on the CCNAS within [20] days of being consulted.
6. The Government shall submit the CCNAS draft to public consultation, together with the NCCA opinion, for a period of not less than [20] days.
7. The CCNAS and its updates shall be discussed and voted on within [90] days of its admission by the National Parliament, and shall be approved by resolution.
8. Once half of the period of validity of the CCNAS has lapsed (referred to in paragraph (1) above), the Government shall provide an update on progress to the National Parliament, under the terms established in the preceding paragraphs.

Note to stakeholders: As outlined, the above provisions are proposed initial thinking. It remains to be tested with TL government representatives whether the above proposal and the proposed concepts of the NCCA and CCNAS are acceptable and/or require amendment.

CHAPTER IV MITIGATION

Section I GENERAL PROVISIONS

Note to stakeholders: As outlined in our Options Paper, we proposed below some options to be considered with respect to the inclusion of an article which establishes emissions reduction targets over the long term. We understand that at present it may not be appropriate for TL to prepare firm quantitative targets, but would like to discuss further the desires of the TL government for inclusion of such provisions. We have suggested some text below based on other approaches, such as that taken under the Fijian laws. As indicated in square brackets, such provisions can be drafted as generally or specifically as is appropriate for country contexts.

Article 12

Long-term Mitigation targets

1. The State shall set the highest possible ambition on climate change Mitigation and shall aim to achieve the goal of limiting global temperature increase to 1.5 degrees Celsius, without prejudice to obligations arising from international conventions, treaties and agreements applicable in the Timorese internal legal system, and taking into account national circumstances, the degree of involvement of the private sector and development partners,.
2. In compliance with the international commitments undertaken by the State, the National Parliament shall approve, upon proposal by the Government [,on a five-year basis and on a thirty-year horizon,] national targets for:
 - a) The reduction of emissions of greenhouse gases[, not considering land use and forests];
 - b) [The net sink of CO₂ equivalent from the land use and forests sector;
 - c) The sink of CO₂ equivalent in coastal and marine ecosystems, including mangrove, wetlands, sea-grass beds, reefs and kelp forests.]
3. The targets referred to in the preceding paragraph shall be periodically reviewed with the aim of raising their degree of ambition, taking into account decarbonisation efforts and new scientific and technological knowledge.
4. The [State/Minister] shall, with the assistance of the NCCA, take all reasonable steps to promote the achievement of long-term emissions reductions.
5. The [State/Minister] has the power to introduce and implement regulations, measures and actions with the purpose of limiting or reducing Timor-Leste's greenhouse gas emissions across the economy including the energy, transport, industry, agriculture, forestry, fisheries, waste, tourism, aviation and shipping sectors.
6. Every [5] years, the [State/Minister] shall, with the assistance of the NCCA, publish:
 - a) A statement of Timor-Leste's greenhouse gas emissions over the 5-year period, and any preceding 5-year periods reported on under this section;
 - b) An assessment of the progress made towards Timor-Leste's NDC and the long-term emissions reduction target at the national and sectoral levels, with reference to carbon budgets and Mitigation measures, policies and programmes; and

- c) Recommendations on measures needed to meet the provisions in Timor-Leste's NDC and its goal for long-term emissions reductions.

Section II MARKET BASED APPROACHES

Article 13 Emissions Trading Scheme

Note to stakeholders: As noted in the options paper, many framework climate change laws include specific provisions which set up national emissions trading schemes. To be discussed with TL whether this is appropriate at this stage and any views in particularly on Article 6.2 and 6.4 mechanisms under the Paris Agreement.

Article 14 Carbon sequestration projects and carbon markets

Note to stakeholders: Again, the below is not an exclusive list and we seek feedback generally and specifically, to better understand TL perspectives on market approaches and carbon sequestration projects (including nature based solutions such as reforestation projects and/or blue carbon projects). Again, we have proposed some topics below which could be covered in relation to market based approaches. These provisions may also be an opportunity to align TL with Paris Agreement Article 6 discussions.

1. The [Secretary of State/Minister] may publish regulations on the implementation of programs and activities of greenhouse gas sequestration and the facilitation of access to carbon markets.
2. Any such regulations shall:
 - a) Establish a framework for emissions reduction projects, programmes and activities for the purposes of Article 6 of the Paris Agreement;
 - b) Ensure that the carbon rights related to emissions reductions or sequestration of greenhouse gases belong to the owner of the assets which store emissions, namely the trees and/or the soil, or any other assets through which the reduction or removal of greenhouse gases is achieved;
 - c) Set out how such carbon rights can be registered;
 - d) Set out who can apply to register a carbon right;
 - e) Ensure that carbon credits, which derive from carbon rights for the reduction or removal of greenhouse gases made pursuant to a carbon sequestration project belongs to the owner of the carbon right; and
 - f) Ensure the participation of local communities in carbon markets to ensure such communities receive fair benefits resulting from the use of the respective natural resources.

Article 15

Forests and green spaces

Note to stakeholders: We have suggested the following Article in relation to forests under this section on market based approaches and as outlined above, is subject to further consultation with the TL government on nature based solutions. During these consultations, it will also be important to consider key concepts such as “forests” and what they are defined as/should be defined as, as appropriate for the TL context as well as obtain/consult with relevant stakeholders to obtain comment.

1. The State shall promote a sustainable and resilient forest, acknowledging a forest's carbon sequestration capacity and the promotion of access by local communities to carbon markets, namely through:
 - a) Afforestation;
 - b) Reforestation, especially in degraded areas with the aim of avoiding landslides and providing a sustainable source of wood to local communities;
 - c) Prevention of deforestation;
 - d) Sustainable management of forests and forest land through the promotion of access to carbon markets;
 - e) Forest land use planning, through the creation of a [land] registry system that promotes legal clarity and legal certainty in relation to the holders of rights over forests and integrates relevant information on forest stands;
 - f) Improvement of infrastructure and re-establishment of native natural vegetation;
 - g) Increasing investment and knowledge in relation to the management of forests and associated forest value chain activities;
 - h) Promotion of more sustainable and resilient native forest crops;
 - i) Promotion of the integration of permanent agricultural crops compatible with forest stands;
 - j) Proper valuation of ecosystem services;
 - k) Maintenance and incorporation of forest biomass waste in soil, preserving the role of residual organic matter in the maintenance of ecologic integrity and in the provision of ecosystem services such as carbon sequestration, habitat formation or water erosion prevention; and
 - l) Promotion of customary practices of management and natural regeneration of forest areas, where appropriate.
2. The State shall cooperate and promote partnerships with the private sector and development partners with the aim of implementing forest policy, ensuring that local communities receive fair benefits resulting from the use of the respective natural resources.

Article 16

Blue carbon

Note to stakeholders: As above, further consideration should be given to the treatment of blue carbon areas/assets (such as mangroves), and how such areas/assets should be defined.

1. The State shall develop a blue carbon policy that protects marine and coastal ecosystems and promotes sustainable development through:
 - a) Carbon sequestration activities in mangroves to increase coastal ecosystems' resilience;
 - b) Sustainable management of marine ecosystems, particularly of populations of species consumed by humans with commercial value;
 - c) Sustainable management of human interventions in the ocean, incentivising activities of sustainable fishing and aquaculture;
 - d) Assessment of needs and consequent implementation of actions of ecologic restoration and sustainable development of coastal and marine ecosystems, including wetlands, sea-grass beds, reefs and kelp forests;
 - e) Reduce vulnerability to climate change and support initiatives that promote employment and the improvement of coastal communities' living conditions, namely through support to ecotourism and sustainable community tourism;
 - f) Designation of protected marine areas to protect ecosystems that are vulnerable and that are essential to the good status of marine waters; and
 - g) Promotion of customary management and natural regeneration practices of marine and coastal areas, where applicable.
2. The State cooperates and promotes partnerships with the private sector and development partners with the aim of implementing such blue carbon policy, ensuring that local communities get fair benefits resulting from the use of the respective natural resources.

Section III

NON-MARKET BASED APPROACHES

Article 17

Phase out of Hydrofluorocarbons

Note to stakeholders: We understand that TL will be ratifying the Kigali Amendment. We have therefore proposed the below provisions as a starting point. To be discussed further for inclusion/exclusion/amendment.

1. The [State/Minister] may introduce regulations to reduce emissions of fluorinated greenhouse gases.
2. The regulations referred to under paragraph (1) may:
 - a) Establish rules on the containment, use, recovery and destruction of fluorinated greenhouse gases;

- b) Impose conditions on the placing on the market of specific products and equipment that contain, or whose functioning relies upon, fluorinated greenhouse gases;
- c) Impose conditions on specific uses of fluorinated greenhouse gases; and/or
- d) Establish quantitative limits for the placing on the market of hydrofluorocarbons.

Note to stakeholders: We would like to discuss whether this law should include any firm obligations on any third parties in relation to climate change. Again, the suggestions have been made as suggestions only and any provision which impacts the private sector will need to also be consulted on with appropriate sector representatives.

Article 18

Public Administration decarbonisation programs

1. The [entities and services of the Public Administration] shall actively contribute to the achievement of the objectives of this Law, by adopting practices and behaviours that aim to achieve decarbonisation, including within the scope of public procurement, public investment and public accounting, towards the decarbonisation of its activity.
2. For the purposes of compliance with the previous paragraph, the Government shall approve and implement a program of decarbonisation for the entities and services of the Public Administration.
3. The management bodies of the services of the direct and indirect State administration, independent administrative entities and the executive bodies of the municipalities and public associations shall approve specific decarbonisation programs for the respective services and institutions.
4. The purchase of goods and the contracting of services shall be based on sustainability criteria, taking into consideration the respective impact on the local economy and promoting the use of locally available materials, without prejudice to equal access of economic operators to procurement opportunities.

Article 19

Private sector programs

1. Companies shall consider climate change in their governance procedures and shall incorporate an analysis of climate risk in their decision-making process.
2. The duties of managers or administrators and holders of corporate bodies with supervisory functions arising from the law or bylaws shall include:
 - a) prudent consideration; and
 - b) transparent sharing of information on the risks posed by climate change to the business model, capital structure and companies' assets.
3. Companies shall integrate an assessment of their exposure to climate change and their carbon footprint into financial accounts and management reports, and may establish a carbon budget by setting a maximum limit for the total of greenhouse gas emissions.

CHAPTER V ADAPTATION

Note to stakeholder: We understand that Adaptation is likely to be a key issue for the TL government. We have made some initial suggestion below, based in part on unconditional commitments under the updated NDC, but would like to understand from the TL government, Adaptation priorities (including priority areas or actions which require additional climate finance/funding).

We also note that in other climate change framework laws (such as Fiji), additional consideration can be given under a National Adaptation Plan for issues including (a) comprehensive risk management; (b) Adaptation and Mitigation co-benefits resulting from environmental conservation activities; (c) natural resource management measures that support and enhance local livelihoods; (d) climate information management and services, including the capacity to generate, manage, disseminate and use climate change information (links to (m) below); (e) resource mobilisation, including the accumulation and coordination of financial and non-financial resources during the design, implementation and monitoring of Adaptation measures as well as any associated capacity building.

Article 20

National Action Plan for Adaptation to Climate Change

1. The Government shall develop and approve [every five years,] a National Adaptation Plan to Climate Change (**NAPCC**) to:
 - a) Reduce the vulnerability to the impacts of climate change by strengthening the capacity of Adaptation and resilience; and
 - b) Facilitate the integration of Adaptations to climate change, in a coherent manner, in relevant policies, programs and activities and in the development processes and planning strategies, in all sectors and at several levels, where most appropriate.
2. The objectives of the NAPCC are to:
 - a) Establish guidelines for climate risk and vulnerability assessments;
 - b) Establish Adaptation plans for specific sectors;
 - c) Increase the capacity of economic operators to adapt to the impacts of climate change;
 - d) Reduce the risk of impacts on people and damage to property and ecosystems associated with climate change;
 - e) Increase the national capacity for resistance and resilience to the impacts of climate change, including prolonged periods of drought, extreme weather events and sea level rise;
 - f) Strengthen institutional capability to manage information systems and conduct national monitoring and evaluation of development programming and progress;
 - g) Take into account social impacts of climate change and Adaptation measures to avoid inequalities, including gender equality considerations;
 - h) Preserve cultural heritage and traditional knowledge in the view of the risks associated with climate change;

- i) Improve institutional knowledge of the impacts of climate change to inform public decision making on Adaptation measures;
 - j) Increase Timor Leste citizens' awareness of the impacts of climate change and the Adaptation measures to be implemented;
 - k) Clarify the responsibilities of stakeholders in terms of the implementation of, and provision of funding for, climate Adaptation measures; and
 - l) Guide minimum requirements for donor funding to ensure that a set minimum percentage of external financing is earmarked for capacity-building activities and local employment.
3. The NCCA shall coordinate the implementation of Adaptation policy across sectors, and issue an opinion on the NAPCC within [20] days of being consulted.
 4. The Government shall submit the draft NAPCC to public consultation, together with the NCCA opinion, for a period of not less than [20] days.
 5. The NAPCC shall be approved by Government resolution within [30] days from the end of the public consultation period.

CHAPTER VI MEASUREMENT, REPORTING AND VERIFICATION OF EMISSIONS AND EMISSIONS REDUCTIONS

Note to stakeholders: Further engagement should be undertaken with MRV technical experts for the finalisation of this provision, but we have proposed that specific articles be included to establish key MRV infrastructure. It should also be considered whether additional obligations should be implemented under this framework law to enable the TL government to obtain the necessary data for MRV purposes (and if so, from whom e.g. obligation on private sector to provide data and/or reporting obligations).

Article 21 National emissions inventory

The Government shall develop, maintain and make public a national inventory of anthropogenic emissions by sources and removals by sinks of air pollutants (**NIAERS**) in accordance with international rules and guidelines, ensuring the coherence, comparability and rigor of estimates made and supporting the development of Timor-Leste's Mitigation objectives.

Article 22 Continuous assessment

1. The Government shall prepare and submit to the National Parliament an annual report on:
 - a) Progress on execution of planning instruments;
 - b) Policies and measures on greenhouse gases, including progress achieved in reducing national greenhouse gas emissions by sources and removals by sinks; and
 - c) Actions taken to adapt to climate change.
2. The NCCA shall issue an opinion on the report referred in the previous paragraph within [20] days from its submission to the National Parliament.
3. The report and opinion referred to in the previous paragraphs shall be made available to the public.

CHAPTER VII CLIMATE FINANCE

Article 23 Establishment of a national green fund

Note to stakeholders: We would like to better understand priorities of the TL government with respect to climate finance. Based on these priorities, we can further consider appropriate provisions for inclusion, e.g. establishment of a national green fund to attract and deploy climate finance, requirements for sustainable finance. We have proposed some terms below based on Portuguese laws.

Article 24 State investment policy

1. In its capacity as owner of the Petroleum fund established by Law no. 9/2005, of 3 August, as amended by Law no. 12/2011, of 28 September, and as shareholder of financial institutions, and without prejudice to the autonomy of the management body and legislation specifically applicable to these entities, the State shall adjust its credit and investment policy and its asset portfolio to promote achievement of the objectives of climate policies and the development of environmentally sustainable activities.
2. The investments or shares considered of strategic national interest are exempted from the previous paragraph, and a non-binding opinion on the matter may be requested by the NCCA.

Article 25 Sustainable financing

1. For the purposes of this Article:
 - a) «Climate risk» shall be considered as the predictable consequences of climate change in the investments of each economic agent; and
 - b) «Climate impact» shall be considered as the impact of investments of each economic agent on climate change.
2. The finance, finance management, capitalisation support and lending policies of State and private entities shall adopt the following principles on climate:
 - a) Principle of prioritisation, requiring that the financial programming, in the public and private sector, considers and contributes to the objectives of climate policy;
 - b) Principle of identification, ensuring knowledge of climate impacts resulting from actions to be financed, the allocation of economic assets and liabilities of the country and the receiving organisation;
 - c) Principle of transparency, promoting the disclosure of information concerning the climate impact of management and investment decisions by managers, investors and consumers, following best international practices;
 - d) Principle of accountability and prudence, aiming to incorporate climate risks in the assessment of assets and liabilities; and

- e) Principle of de-investment, aiming that public funds progressively cease to be invested in assets that do not correspond to environmentally sustainable activities, being preferentially invested in assets that correspond to environmentally sustainable activities.
3. Public and private agents and institutions shall, in their decisions on financing, take into account climate risk and climate impact.
4. The absence of assessment of climate risk and climate impact in the short, medium and long term shall be considered a violation of the duties of managers, proxies and holders of other bodies of legal persons.
5. Risk analysis, namely in financial intermediation, shall consider climate risk and climate impact from activities that seek financing.
6. Regulatory and monitoring entities shall submit an annual report on climate risk exposure in their respective sectors, particularly on the climate risk of the finance and insurance sector.

CHAPTER VIII SECTOR SPECIFIC POLICIES

Note to Stakeholders: We have proposed the below actions for specific sectors and have sought to align these provisions with the National Climate Change Policy as well as the updated NDC in the first instance. Further consultation will be required with key sector participants as well as guidance to be received from the relevant TL government ministry to ensure alignment with any other legislative priorities or requirements as well as actions which may be appropriate for the TL context. Whilst we have made the following suggestions based on other model laws, some actions/requirements may not be appropriate for the TL context. Each sector to be discussed.

Section VIII. Energy

Article 26 Energy Policy

1. Any decision made and any policy, programme or process developed or implemented by the relevant authority on national energy should aim at limiting global temperature increase to 1.5 degrees Celsius above pre-industrial levels through the transition to the sustainable production of energy from renewable sources of energy.
2. Any such decision made or policy, programme or process referred to in the preceding paragraph shall aim to achieve the following:
 - a) Compliance with international rules and regulations;
 - b) Decarbonisation of electricity production, relying on endogenous renewable resources;
 - c) Decarbonisation in residential, commercial and public buildings, favouring the profound renewal of housing stock, including increasing energy efficiency in

- buildings and the improvement of thermal comfort, the use of carbon-neutral building materials and the suitability of building solutions to climate change and a building's life cycle;
- d) Addressing energy poverty in a manner consistent with the decarbonisation of the TL energy system, with an emphasis on the:
 - i) deployment of renewable energy sources; and
 - ii) implementation of energy-efficient technologies.
 - e) Progressive decentralisation and democratisation of energy production;
 - f) Decarbonisation of transport, including the promotion of public transport, walking and cycling, electric mobility and other zero-emissions technologies and the reduction of carbon intensity of maritime and air transports;
 - g) Improvement of air quality indexes in urban areas; and
 - h) Respect for the right to a clean, healthy and sustainable environment in public procurement and tender documents.

Article 27

National Electricity System

1. The State shall incentivise the decarbonisation of the electricity generation system by securing the production of electric energy from renewable sources of energy and the smooth phase-out of the production of electric energy from fossil fuels.
2. The State shall promote an electricity production policy from renewable sources, aiming to ensure:
 - a) The prioritisation of approval of renewable energy projects and removing approval barriers for renewable projects as compared to non-renewable generation;
 - b) The decentralised and democratic production of electricity including, where appropriate, through renewable microgrid solutions and technologies;
 - c) The release, on reasonable terms, of the capacity to inject the energy produced from any public or private renewable sources, regardless of its installed capacity, in the National Electric System; and
 - d) The attainment of carbon credits for greenhouse gas emissions reductions from renewable energy production projects.
3. Territorial planning instruments shall include the implementation of the national energy potential from renewable sources of energy.

Section IX.

Transportation

Article 28

Transportation sectoral plan

The Government shall approve a transportation system sectoral plan with the objective of:

1. increasing climate change resilience;
2. reducing emissions from the transportation sector;

3. increasing the quantity and quality of low- or zero-emission public transport options; and
4. supporting non-motorised transport solutions.

Article 29

Public transport network

1. The State shall develop a public transport network that aims to encourage reduced emissions or no-emissions vehicles, with the objective of reducing public transport emissions, ensuring Timor-Leste citizens' access to a sustainable public transport network and reducing congestion in towns and cities.
2. The Authority of the Special Administrative Region of Oé-Cusse Ambeno and the Municipalities shall develop, within their territories, sustainable public transport plans.

Section X. Section VII. Technology

Article 30

Private transport technologies

1. The State shall incentivise the acquisition and use of electric, hybrid or renewable gas-powered vehicles, or vehicles powered by other fuels that do not emit greenhouse gases.
2. The State shall develop a public network for the charging of electric vehicles, and may, for that purpose, cooperate with the private sector and the development partners.
3. The Government shall approve, within [24 months] from the date of entry into force of this Law:
 - a) Incentives to encourage the purchase of vehicles with low or zero emissions;
 - b) A legal framework for the management of end-of-life vehicles; and
 - c) A legal framework for the control of vehicles' pollutant emissions.

Article 31

Carbon capture and storage technologies

1. The State shall analyse and support the development of carbon capture and storage technologies.
2. The State shall promote projects of implementation of carbon capture and storage technologies in wells of decommissioned petroleum and gas explorations and in areas of the national territory with high emissions.

Section XI. Extractives

Article 32 Petroleum operations and mining

1. The Government shall define areas of interdiction of petroleum operations and extraction of mineral resources and shall conduct an environmental impact assessment on large-scale petroleum operations and mining projects.
2. The opening and re-definition of areas for petroleum and mining activities, the grant of authorisations for any petroleum operations and the concession of any mining rights are forbidden in areas intended for:
 - a) Greenhouse gas sequestration projects, programs and activities related to carbon markets; and/or
 - b) Projects for the production of electricity from renewable sources of energy.
3. The Government shall enact environmental regulations for mining in maritime areas, ensuring strict protection of the marine environment.

Section XII. Water and waste

Article 33 Water and sanitation

The State shall promote the efficient use of water and the implementation and upgrading of drinkable water distribution and wastewater treatment systems, namely through:

1. Execution of planning and water management, in order to ensure water security, the protection of biodiversity and socioeconomic activities and reducing exposure and vulnerability to climate change, in accordance with fair use principles;
2. Implementation and requalification of drinkable water distribution systems and the treatment and distribution of wastewater, enabling wastewater to be reused for other purposes;
3. Ensuring regular information is provided to the consumer to raise the perception of water as a scarce resource and the awareness to the need to reduce water use; and
4. Adoption of a fiscal or financial benefits system for those who demonstrate reduced water use.

Article 34 Waste

1. The State shall promote sustainable waste management, through the prevention of waste production, increasing recycling rates and significantly reducing the disposal of waste in landfills.
2. The State may cooperate with the private sector and development partners to ensure:
 - a) The elimination of open-air burning of waste;

- b) The installation of unsorted municipal waste collection, transportation and treatment systems that cover the needs of the whole population;
- c) The installation of systems of collection and recovery of different materials subject to reutilisation;
- d) The Adaptation of new technologies that more efficiently tender each area, namely through the implementation of selective collection, by using methodologies that favour the 'polluter pays' principle;
- e) The adoption of industrial, hospital, construction and demolition, electric and electronic and dangerous urban waste collection and treatment systems, in a secure and controlled manner, avoiding the creation of environmental liabilities; and
- f) urban solid waste treatment systems integrate biogas production, organic compounds and recycling systems.

Section XIII. Agroforestry, fishing and aquaculture

Article 35 Low-carbon agriculture

1. The State shall promote a sustainable and resilient agricultural system, combatting desertification and pursuing the objectives of carbon neutrality, increasing of food security, territorial cohesion and biodiversity protection.
2. Adaptation and Mitigation in the agriculture sector shall be developed through policies that:
 - a) Accelerate the transition to permanent production systems and more sustainable and resilient crops;
 - b) Diversify the species of food crops to improve food security;
 - c) Develop better climate prediction systems and early warning systems;
 - d) Impede deforestation and foster the introduction and expansion of crops that coexist in areas of forest and are compatible with nature-based solutions to the maintenance and creation of new carbon sinks;
 - e) Improve livestock feeding and adopt a holistic approach to livestock, namely by resorting to technologies that reduce greenhouse gas emissions and promote the exploitation of biogas;
 - f) Promote the increase of organic matter in the soil, namely through improved permanent grasslands and the application of organic compounds;
 - g) Improve livestock effluent management systems;
 - h) Foster the more efficient use of fertilisers, energy and water; and
 - i) Stimulate technologic development and innovation in the agriculture sector.

Article 36 Fishing and aquaculture

1. The State shall promote environmentally sustainable fishing and aquaculture activities, pursuing the objectives of carbon neutrality and biodiversity protection.
2. Adaptation and Mitigation in the fishing and aquaculture sectors shall be developed through policies that:
 - a) Incentivise the use of green and/or renewable technologies and fuels;

- b) Stimulate scientific investigation and technologic development; and
 - c) Promote, whenever adequate, practices based on traditional knowledge.
3. The State shall promote policies that increase involvement of the fishing community in the prevention of and combat against marine waste, by creating incentives systems for that purpose.

Section XIV. Education

Article 37 Climate education policy

1. The Government shall incorporate education on climate matters in elementary and secondary education curricula.
2. The Government shall promote the development of education on climate change in higher education, respecting the autonomy of higher education institutions.
3. The Government, in partnership with the Special Administrative Region of Oé-Cusse Ambeno, the Municipalities, the Sucos and other entities, shall promote climate education actions aimed at raising climate awareness of Timor Leste citizens.

Article 38 Research, development and innovation on climate change

The State shall promote research, development and innovation on climate change on the basis of NCCA recommendations.

Article 39 Environmental non-governmental organizations

The State shall support associations that act to protect the environment and combat climate change, facilitating the increase of citizens' awareness of the importance of Adaptation and Mitigation actions.

Section XV. Health

Article 40 Public health

1. The State shall promote the assessment of global and national risks and the preparation of action, prevention and contingency plans in the face of climate aberrations.
2. The State shall protect and promote the improvement of the population's health through sustainable and climate resilience programs that include, namely:

- a) The improvement of the health sector workers' knowledge on climate risks;
- b) The development of data management systems for the registration of information on health risks and vulnerabilities; and
- c) The establishment of public health specialized services' units.

Section XVI. Security and defence

Article 41 National security and defence on climate change

1. The Government shall, within its competences on climate matters, homeland security, civil protection, national defence, housing, public works and territorial planning, promote climate security, by identifying risks and acting to prevent and mitigate the consequences of climate change on public order, security and peace, integrity of people and assets and the regular exercise of the rights, freedoms and guarantees.
2. For the purposes of the preceding paragraph, energy, health and food and nutritional security are included in the concept of climate security.
3. The State shall allocate resources with the aim of strengthening national resilience in relation to the impacts of climate change, in the national territory [and with the diaspora and international missions that Timor-Leste forms part of].
4. The Government shall identify and declare as critical zones those areas in which the parameters that enable the assessment of the quality of the environment reach, or are predicted to reach, values that might put human health or security at risk, being subject to special civil protection measures.
5. Climate security shall be developed in the whole area subject to Timorese jurisdiction, and the State shall cooperate with international organisations and other States on the implementation of common climate security measures outside of the area subject to Timorese jurisdiction.
6. Strategic planning on national defence and the development of capacities, namely within the National Integrated Security System, shall integrate climate change as a fundamental and global premise at both the internal and external levels.
7. [Relevant authorities with strategic competence] in relation to national security and defence priorities shall:
 - a) Integrate climate change impacts in the neighbouring regions of Timor-Leste and the countries with which Timor-Leste cooperates; and
 - b) Study the political effects on international security and defence, through the survey of short-, medium- and long-term scenarios, in articulation with other agents of the State.
8. The Armed Forces shall incorporate in its strategic and operational planning risks inherent to climate change and greenhouse gas emission reduction measures, in order to reduce the environmental impact of security and defence activities.
9. Citizens, companies and other public and private entities have a duty to collaborate in the pursuance of the goal of climate security, in the same way as they do for homeland security, civil protection and national defence goals.

10. The National Parliament shall contribute, through the exercise of its political, legislative and financial competence, to developing and monitoring the execution of climate security policy.

Section XVII. Tourism

Article 42 Tourism

The State shall develop a tourism policy that favours ecotourism and sustainable community tourism, namely through:

1. Identification of tourism spots that are susceptible of being negatively affected by climate change;
2. Introduction of measures to control and regulate tourism in such areas; and
3. Restoration and protection in areas of high biodiversity, coastal and marine ecosystems and natural resources that are praised by tourists as places to visit.

CHAPTER IX ENFORCEMENT AND PENALTIES

Note to stakeholders: Appropriate penalties (if any) to be discussed with TL government, but we have suggested some provisions to set up the concept but will require subsequent legislation to implement.

Article 43 Monitoring and inspection

The State shall monitor and inspect activities that are susceptible of causing a negative climate impact, and aim to ensure compliance with environment and climate legislative instruments.

Article 44 Liability and penalty framework

1. Damaging actions and omissions that accelerate or contribute to climate change shall generate liability.
2. A misdemeanours regime shall be defined in a separate statute as a deterrent and penalising instrument for:
 - a) Actions and omissions that are harmful for the climate;
 - b) Practices that violate legal and regulatory provisions on climate; and
 - c) Misuse or abuse of natural resources.

CHAPTER X FINAL AND TRANSITORY PROVISIONS

Article 45 International cooperation

1. The State shall promote international cooperation programs, projects and actions on climate change, in order to achieve Adaptation and resilience, favouring cooperation with neighbouring countries.
2. The international cooperation projects on climate change shall lead to Mitigation of and Adaptation to climate change, and may take the form of:
 - a) Capacity building for climate change;
 - b) Mitigation or Adaptation technology transfer;
 - c) Climate change Mitigation actions; and/or
 - d) Climate change Adaptation actions.
3. Within the typologies of projects mentioned in the previous paragraph, the State shall participate in research and development actions at a regional and international level.
4. The Government shall adopt a global and integrated vision of the achievement of climate objectives, respecting the limit of the sustainable use of the planet's natural resources and each country's development paths, and shall actively defend, on external policy issues in the framework of climate diplomacy:

Note to stakeholders: Priorities to be discussed with TL Government/key authorities. We have made some suggestions below.

- a) [The principle of equity and common but differentiated responsibilities and respective capabilities, in the light of different national circumstances;
- b) The prioritisation of the safeguarding of environmental security and ending hunger through the promotion of food production systems that are resilient to climate change;
- c) The promotion of funding and technology transfer to the least developed countries to face their specific needs and special situations;
- d) The internationally binding and effective commitments concerning the climate and the preservation of environment and biodiversity;
- e) The development of international criminal law for the protection of the environment;
- f) The definition of the concept of climate refugee, its statute and recognition by the Timorese State;
- g) International cooperation and solidarity, especially with the Portuguese language and global south countries, supporting the implementation of measures established in the Sendai Framework for Disaster Risk Reduction 2015-2030; and
- h) The recognition by the United Nations of the stable climate as a Common Heritage of Humankind.]

Article 46

Review of the Petroleum Fund Law and supplementary rules

Within [one] year from the entry into force of this Law, the Government shall submit to the National Parliament a review of the rules that regulate the Petroleum Fund investments policy in accordance with the provisions in paragraphs 1 and 2 of Article 24 of this Law, and these shall be reassessed periodically depending on the progression towards the fulfilling of the goals established in this law.

Article 47

Entry into force

This Law shall enter into force on the day following its publication.

Approved on [date].

The President of the National Parliament

Aniceto Longuinhos Guterres Lopes

Promulgated on [date].

To be published

The President of the Republic

José Ramos Horta