



**REPÚBLICA DEMOCRÁTICA DE TIMOR-LESTE**  
**GOVERNMENT**

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**Government Decree /2007**  
**of May 2007**

**POLICY AND GUIDELINES FOR ADMINISTRATION AND MONITORING OF  
TIMOR-LESTE CONTENT**

**Preamble**

In accordance with the Law of 13/2005, of 02 September (*Petroleum Act*) Article 13 3(a) (iii) and (iv), an application for an Authorisation shall include proposals for training of, and giving preference in employment in the Petroleum Operations to, nationals of Timor-Leste, and the procurement of goods and services from persons based in Timor-Leste.

Timor-Leste Content (TLC) is a mechanism introduced to stimulate development of local suppliers of goods and services and the Timor-Leste economy.

Recognising that Timor-Leste content is part of the Authorised Persons bid for Production Sharing Agreements, the Government of Timor-Leste aims to maximise the positive contribution from the petroleum sector and to ensure that the petroleum sector benefits the Timorese people in a sustainable way through petroleum-related industrial growth, education and increased national wealth.

Whereas the Law of 13/2005, of 02 September (*Petroleum Act*) Article 31.1 (o) and (p) authorises the Government to pass Regulations concerning matters relating to reporting by Authorised Persons on compliance with obligations set out in the Law and Authorisations, including those relating to the training and employment of Timorese nationals, procurement of Timor-Leste goods and services and any other matter relating to the Petroleum Act.

To formalise the procedures for handling issues relating to Timor-Leste Content the Government enacts the following to have the force of regulation:

**Article 1**  
**Policy statement**

It is the overall aim of the Government of Timor-Leste to maximise the positive contribution from the petroleum sector and to ensure that the petroleum sector benefits the Timorese people in a sustainable way through petroleum-related industrial growth, education and increased national wealth.

Timor-Leste Content (TLC) is a mechanism introduced to stimulate development of local suppliers of goods and services and the Timor-Leste economy.

**Article 2**  
**Definition**

1. Timor-Leste content means the money and resources provided by Authorised Persons in the petroleum sector to Timor-Leste for sustainable development, or money spent by Authorised Persons on Timorese goods and services.
2. Authorised Persons has the meaning given to it in the Petroleum Act.

**Article 3**  
**Administrative Body**

Timor-Leste Content shall be administered by the Timor-Leste Content Committee (TLCC). TLCC is responsible for making recommendations on the use of the resources intended for the development of Timor-Leste Content, in accordance with the principles of transparency and good governance. The Minister for Natural Resources, Minerals and Energy Policy is responsible for establishment of TLCC.

TLCC shall comprise:

- a. a chairman nominated by the Minister of Natural Resources, Minerals and Energy Policy
- b. two members with knowledge of human resources Development, the petroleum industry (upstream/downstream) and/or technology
- c. one member from a relevant NGO(s),
- d. one member from an educational institution, and
- e. one member from the local business forum.

Up to two members shall be permanent staff of the Timor-Leste government.

TLCC shall publish their internal regulations for approval by the Minister for Natural Resources, Minerals and Energy Policy.

**Article 4**  
**Presentation of Projects**

Project proposals may be submitted to TLCC at any time by the Authorised Persons and persons and entities which are not Authorised Persons. Projects must fall within one of the following five categories:

1. Development of local suppliers of goods and services,

2. Education and training,
3. Provision of work experience and employment (in RDTL or overseas) relevant to the petroleum sector,
4. Transfer of technology,
5. Petroleum-related activities.

## **Article 5 Requirements of Project Proposals**

Project proposals shall include:

- (a) Project summary,
- (b) Detailed description of project (goal, objectives, activities, work plan and expected results),
- (c) Risk analysis
- (d) Sustainability analysis,
- (e) Relevance to the petroleum sector in Timor-Leste,
- (f) Detailed budget,
- (g) Timeframe for execution,
- (h) Where relevant, detailed description of use of local goods and services for execution of work, and
- (i) Where relevant, impact on local society and environment.

## **Article 6 Selection Criteria**

When evaluating projects, TLCC shall base its recommendations on the following criteria:

- (a) Relation to petroleum sector of Timor-Leste,
- (b) Sustainability,
- (c) Potential for generating direct employment for Timorese nationals,
- (d) Effect on future employment possibilities for Timorese nationals,
- (e) Development of local activity and local industry,
- (f) Transfer of knowledge to Timorese and local competence building,
- (g) Transfer of technology,
- (h) Synergies with other parts of the Timorese economy, and
- (i) Other short and long term benefits for Timorese society.

## **Article 7 Approval of projects**

The Ministry of Natural Resources, Minerals and Energy Policy is responsible for approving the Timor-Leste Content projects, in accordance with the recommendation from the TLCC.

Approved projects shall be published on the Ministry of Natural Resources, Minerals and Energy Policy website.

## **Article 9 Publication**

1. The TLCC shall make public the project proposals presented, TLCC's evaluation and the Ministry's approval.
2. The publication shall include, in particular, making the aforesaid documents available on the website of the Ministry of Natural Resources, Minerals and Energy Policy.

**Article 9**  
**Execution of projects**

Authorised Persons shall be responsible for executing the projects either directly or through sub-contractors and shall obtain required licences and approvals from the competent government authorities.

**Article 10**  
**Reporting, Monitoring and Follow-up**

TLCC is responsible for the monitoring progress and evaluating the approved projects.

Authorised Persons shall report project status to TLCC within 10 days after expiry of each quarter, or as otherwise specifically directed for each project. The report shall evaluate progress and quality of the activities and suggest any corrective actions if necessary.

**Article 11**  
**Effectiveness**

This Regulation enters into force on the day following its publication.

Approved by the Council of Ministers, May 2007

The Prime Minister

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Minister for Natural Resources, Minerals and Energy Policy

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(Jose A. Fernandes Teixeira)

Promulgated,

To be published