**Country Name:**
Timor-Leste

**WB Project Involved: Name of Project and Project Code:**
N/A

**Name and Date of Legislations/Policies:**
- **Constitution of the Democratic Republic of Timor-Leste** (March 2002)
- **Decree Law No. 5/2004 on Community Authorities** (April 2004)
- **Decree Law No. 3/2009 on Community Leadership and Their Election** (July 2009)
- **Decree Law No. 4/2012 on the Integrated District Development Planning** (February 2012)
- **Decree Law No. 8/2013 on the set up of PNDS** (June 2013)
- **Decree Law No. 4/2014 on the Pre-Deconcentration Structure** (January 2014)

**Description of Legislation/Policy:**
While decentralization is mandated in the 2002 Constitution, the execution has been slow amidst other competing priorities in the country. Recently, the Government of Timor-Leste has re-asserted its commitment to the decentralization process with the enactment of Decree Law No. 4/2012 (February 2012) on the Integrated District Development Planning and Decree Law No. 4/2014 on Organic Statute of the Structure of Administrative Pre-Deconcentration (January 2014). The Law No. 4/2012 establishes the Integrated District Development Planning for local development projects and local “bottom up” planning. It defines and governs rules applying to competencies, planning, implementation and financing to execute State projects at district and sub-district levels. The Law No. 4/2014 sets out the administrative decentralization policy, aiming to delegate some powers to sub-national level governments in order to deliver services to the local communities. This Law provides the legal framework for increased decentralization to the districts and outlines some of the services to be deconcentrated.

The Government is also revising its Decree Law No. 3/2009, also known as the Village (Suco) Law. The suco (also often referred as suku) council was first officially created through Decree Laws No. 2/2004 and No. 5/2004, and the election method and council membership was then updated through Decree Law No. 3/2009. While the suco council is defined as “community organization” that exercises many functions that support peace and development in the community, it is not officially a government body. Nonetheless, council members are voted by popular elections and legally defined as community authorities under the Suco Law. Drawing from the recent experience of Indonesia’s Village Law, the Government will incorporate key CDD principles, operations, and actual
good practices in the revised Suco Law.

As to build and strengthen institutional capacity for local development, the Government has created a national community-driven development (CDD) program, called National Program for Village Development (Programa Nasional Dezenvolvimentu Suku: PNDS) in 2013. The initial length of the program is eight years with an estimated investment of US$ 300 million dollars (the entire amount from the national budget of Timor-Leste). The PNDS aims to contribute to rural development by funding the ‘missing link’ to services (e.g. basic village infrastructure) and provide jobs and training. Communities will receive an annual grant of between US$50,000-75,000 directly from the Government to plan, construct and manage their own small-scale infrastructure projects in their sucos. Since its launch in 2013, over 600 village infrastructure projects have been constructed or are nearly completion.

**Background of World Bank Project(s) involvement in Legislation/Policy. Type of TA provided:**

The World Bank had supported CDD programs in Timor Leste in the past and provided some initial monitoring and evaluation technical assistance to PNDS.

**Background Documents:**

Department of Foreign Affairs and Trade (DFAT). 2013. PNDS Program Briefing. Melbourne: DFAT.


Email exchanges with Victor Bottini, Advisor of PNDS, and Andrew Beath, Economist, World Bank.

Updated: June 19, 2015