



# Local Governance Monthly Bulletin

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*Local Government as the Key to Development*

## Council of Ministers Approves Decentralization Policy Orientation Guidelines

Decentralization policy orientation guidelines for the Government have been approved by the Council of Ministers on Wednesday, March 12, in order to begin reforming and improving the implementation of development work and move government work closer to citizens.

These policy orientation guidelines are basic principles which will be used to draft a law proposal on decentralization, local government and administrative and territorial division to submit to the National Parliament for consideration. The Government will analyze options on establishing Municipalities at the district level, however, based on the Constitution the final decision will be made by National Parliament.

Following the approval of these policy orientation guidelines, which were presented by the Ministry of State Administration and Territorial Management, the Government will begin discussing options for local government,

including which will be transferred to the local level of government and which will remain the competency of the central level, how to decentralize government finances and how finance management will work at the local level.

"These policy guidelines that the Government has approved show that the Government is committed to and puts a high priority on the topic of decentralization," said Minister of State Administration and Territorial Management Dr. Arcângelo Leite.

The Government will be accelerating the legislation process on decentralization during 2008, based on the provision in the Constitution on decentralization.

The decentralization policy orientation guidelines state that the objectives of the decentralization process are to strengthen state institutions, promote democratic participation and to improve the delivery of government services.

## What are the New Decentralization Policy Orientation Guidelines?

*Basic principles that the Government intends to analyze and further discuss in order to include in the law proposal are as follows:*

- Establish municipalities that are strong, democratic and efficient in order to move public services closer to the local level;
- Municipalities will be established at the district level as new institutions;
- Municipalities will approximately follow the existing district territories;
- Each municipality will have an Assembly with an Administration and Sector Departments;
- During the consultation process on the law proposal, each Ministry will discuss which work is best suited to be conducted by the municipal level of government.

## In Brief

- 24 March - 10 April:  
1st Meeting of the SDDC in Suai, Manufahi, Baucau and Ainaro to decide Sub-District Priorities for FY 2008
- 15 April:  
Deadline for submission of revised annual plans and budget for 2008 in Bobonaro, Lautem, Aileu and Manatuto
- April: Establishment of Ministerial Technical Working Groups

## Name and Quotation - H.E. Secretary of State of the Council of Ministers Agio Pereira



*Secretary of State of the Council of Ministers Agio Pereira in his office at the Government Palace, Dili*

### Question: Why has decentralization been included in the Government Program?

"Our Constitution says that our democracy needs to be participatory, it needs to have local power. Because of this, instead of just choosing a central government, we will also choose a district or municipal government. Therefore, because of this Constitutional requirement, the Government needs to have a plan.

"Preparations have already been in process for two and a half years already, it's not at all new, and this Government is only concluding this process by listening to the recommendations from the decentralization task force, so that we can make a proposal to Parliament about this reform. If the Government and Parliament help each other, as according to the Constitution each has their jurisdiction in the legislation process, then we can make decentralization become a reality that will benefit the local community."



Decentralization

## Speak Out!

The Local Governance Bulletin is looking for your thoughts and opinion! If you want to make a submission to this bulletin, please write 75-100 words in Tetum or Bahasa Indonesian, include your name and contact number and send to the Communication Unit in MAE-OT. You can also call 3317202. Thank you!

## Suco Councils Listen to Community Priorities in New Pilot Districts

Suco Councils in the four new districts participating in the Local Development Programme (LDP) have been increasing local participation in the development process through consultations with their communities held during the month of March.

Members of Suco (Village) Councils have been working in each Aldeia (Sub-Village) across the four districts which are piloting a model of local governance, Baucau, Ainaro, Manufahi and Covalima, to identify the development priorities of their community and to receive development proposals.

After consulting with their community, Suco Councils hold a meeting in order to prioritize the development needs of the entire Suco, and decide on which three proposals will be submitted to the Sub-District Development Committee (SDDC) on behalf of the Suco.

An example of one of these meetings was the Development Planning Process Meeting in the Suco of Wailili, Baucau District, on 10 March 2008 held in order to discuss the community's development proposals. The meeting was conducted with the participation of the Suco Council members, Wailili community members, and representatives from Government departments that are working in the Wailili community.

During the meeting, the Suco Council discussed the information that they received from their communities about community development needs. They used various criteria to evaluate these proposals, including the number of people requesting the project and also the number of people who would benefit from the project.

The Wailili Suco Council voted and chose their top Suco development priority to be a clean water project,



Members of the Wailili Suco Council in the Baucau District vote for their community's development priorities

followed by an irrigation project as the second priority and road construction as the third.

These proposals from the Wailili Suco Council will be submitted to the Baucau Sub-District SDDC, and the SDDC will vote in turn to submit five proposals from the Baucau Sub-District to the Baucau District Assembly for discussion and approval. The Baucau District Assembly makes decisions on activities in both the District and Sub-District Level in order to allocate Baucau's annual budget.

Coordinator of the Baucau SDDC Olavio Freitas requested that the Wailili community and the Suco Council accept the decision of the District Assembly even if the proposals are not approved.

"We, as members of the SDDC and also as a member of the Assembly, we will make every effort and debate strongly to defend the views of our community, because we also believe that the views of the community are very important," said the Wailili Suco Leader Hernanio Ribeiro.

## Why is there a New Local Government Model in the New Pilot Districts?

The Government has been piloting two models of local governance through the Local Development Program (LDP) in order to learn practical lessons about the decentralization process so that the future local governments will be strong, transparent and close to the community. One model, which has just begun implementation in 2008, is with one District Assembly and follows the policy that the Municipalities will be based at the district level, while the other model has Assemblies at both the District and the Sub-District level.

The new model establishes Assemblies at only the district level. In the Sub-Districts, a Sub-District Development Committee (SDDC) is established as an extension of the District Assembly with the responsibility of planning and making recommendations to the District Assembly about local infrastructure projects. This model is being implemented in the four districts that began the LDP program in 2008: Ainaro, Baucau, Covalima, and Manufahi.

In these districts, the budget is allocated to the District Assembly; however the SDDC is still responsible for implementing development activities. The District Assembly is responsible for making the final decision about the allocation of the district budget to infrastructure projects which will be implemented at both the district and the sub-district level.

The other pilot local governance model has established Assemblies at both the district and the sub-district level. In

this model, Assembly members are elected from the Suco (Village) Councils to the Sub-District Assemblies and from the Sub-District Assemblies to the District Assembly. This model has been implemented in the districts of Bobonaro, Lautem, Aileu and Manatuto. Each Assembly is allocated their own budget for infrastructure projects, and voting members of all Assemblies at both the district and sub-district level decide how to allocate their budget.

For all districts, the budget for local infrastructure projects is divided between the district and sub-district level, so that the district level receives 30% of the total capital budget and the sub-districts receive 70%.

In districts with SDDCs, this 70% allocated to the sub-districts is not divided between each sub-district, but is used to execute projects which are sub-district related responsibilities, for which the District Assembly makes the final decision. While the SDDC does not have the responsibility to make the final decision, the SDDC makes recommendations to the District Assembly about which projects have the highest priority to be implemented in both the district and in their sub-district.

However, in districts with Sub-District Assemblies, the 70% of the budget allocated to the sub-district level is divided between individual Sub-Districts. The Sub-District Assemblies have the responsibility to make the final decision about how to use the budget allocated to their Sub-District.

### Local Government as the Key to Development



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and

