

Local Governance Monthly Bulletin

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Local Government as the Key to Development

Government Reaffirms Commitment to Decentralization during National Workshop

The process of drafting a law proposal on local government is close to completion, as on July 31 ten Ministries, which have formed Technical Working Groups (TWG), submitted recommendations on how proceed with decentralization.

Decentralization in Timor-Leste has been studied extensively, beginning in 2003 and now culminating in the drafting of two law proposals. Decentralization can only be implemented when laws have been approved on the formation of local government and administrative and territorial divisions.

As part of the legislation drafting process, the Ministry of State Administration and Territorial Management (MSATM) organized a National Workshop with the central theme: the Road to Decentralization, What will be the Future of Local Government in Timor-Leste? With this workshop, MSATM is confirming the Government's commitment to accelerate the decentralization process and implement the reforms that will not only encompass the work of MSATM, but will include all interested parties.

"This workshop continues to show that the Government, especially the Line Ministries, has a very strong commitment to begin the decentralization process," said Minister Arcângelo Leite during his presentation at the



His Excellency the Prime Minister discusses decentralization at the National Workshop. On the left is the Minister of Education and on the right is the Minister of State Administration and Territorial Management

National Workshop.

The objective the National Workshop is to give each Ministry an opportunity to present the work of the Ministry Technical Working Groups. In addition, each Minister or representative discussed the functions of their Ministry that they had chosen to decentralize to the future local governments. Participants in the National Workshop were given the opportunity, after listening to these presentations, to discuss the impact of these decentralized functions.

"According to the constitutional mandate of our Republic, it states that we will have power at the local level. Because of this, our current Government has taken on the responsibility to study and consult about decentralization," said his Excellency the Prime Minister during his speech at the National Workshop. "The most important thing is that the decision-making ability is given as soon as possible to the local level."

The objective of decentralization is to create a partnership between the Government and the community in order to

strengthen development efforts. The decentralization process will transfer some of the work of the Government closer to the community by establishing local governments which are strong, transparent and encourage active community participation.

The result from this workshop is that the recommendations and concepts which are discussed during the workshop will be compiled in order to form the law proposal on local government. The Government is responsible for preparing these legal proposals; however National Parliament is the only institution that can approve the laws. This work that the Government has undertaken is based on the Policy Guidelines for Decentralization and Local Government which were approved by the Council of Ministers on 12 March 2008. These policy guidelines gave MSATM the mandate to coordinate and organize the preparation activities that would, in the end, result in the formation of a law proposal on local government, and this mandate includes the National Workshop.



At the National Workshop on 31 July participants could ask questions and debate about the presentations given by the technical working groups on decentralization

Assemblies Evaluated on Minimum Conditions

Having recently finished their local planning process for fiscal year 2008, District Assemblies in the four new pilot districts to the Local Development Programme (LDP), Manufahi, Ainaro, Covalima and Baucau, are being evaluated on their performance during July. Representatives from the Ministry of State Administration and Territorial Management, with technical support from the Local Governance Support Programme (LGSP) staff, visited each District Assembly from 14-16 July to check their adherence to regulations through performance standards called the Minimum Conditions.

“According to the Decree Law and Ministerial Diploma, districts participating in the Local Development Programme must be evaluated on the Minimum Conditions,” said Ms. Dulce Guterres Junior, Planning and Implementation Officer in the National Directorate for Local Development and Territorial Management. “Minimum Conditions check what the Assemblies have done, their programs and their planning process, as a requirement for receiving funds in 2009,” she said.

Minimum Conditions increase in stringency over the first three years of an Assembly’s establishment and focus on ensuring practices that prevent maladministration and ensuring that Assemblies operate in a manner consistent with existing regulations. The two most important points that are checked while evaluating an Assembly’s first year of work is that the Assemblies are established according to the Ministry’s regulations, with members elected as community representatives, and have approved their final investment plan for their allocation of Local Development Funds for the 2008 fiscal year.

Evaluations of Assemblies are conducted as interviews, however as most of the Ministry and LGSP officials have been working closely with Assembly members during this year as mentors and trainers,

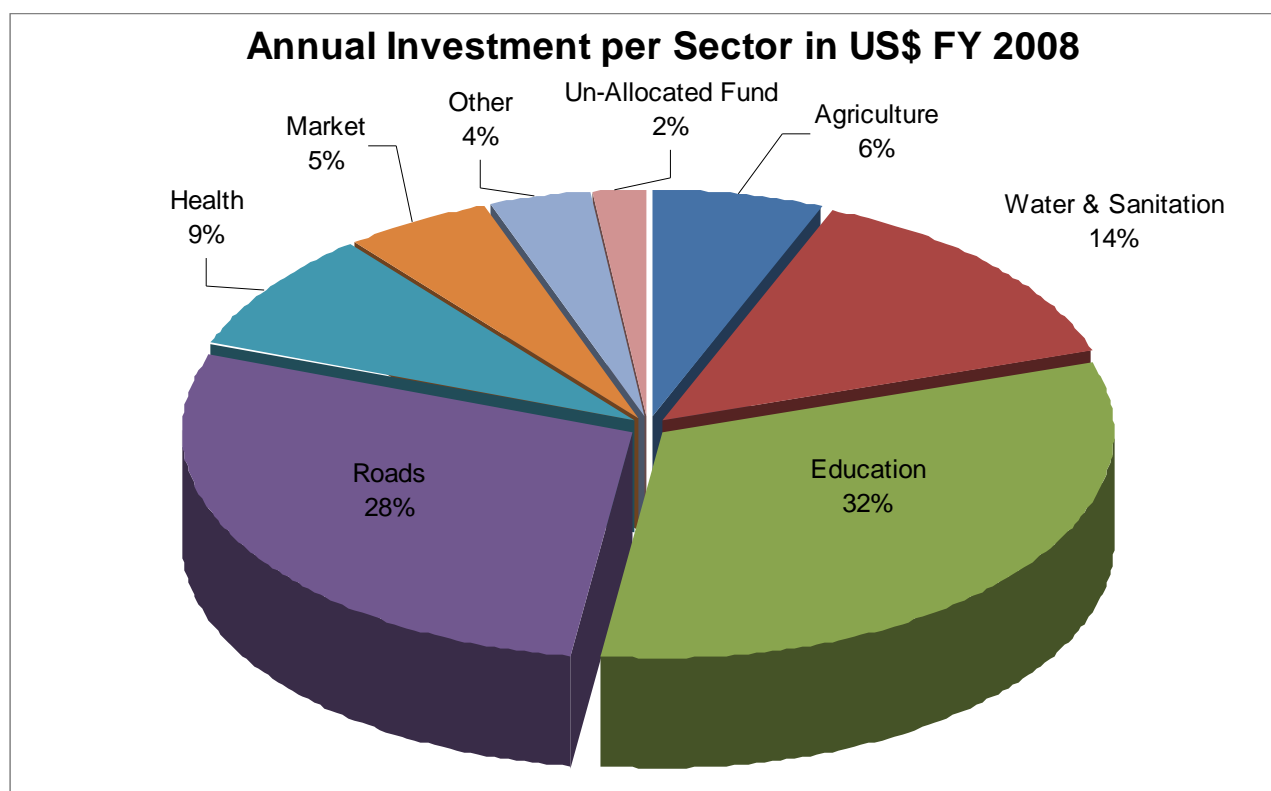
some of the evaluation can also be done as direct observation. For example, one of the minimum conditions stipulates that meeting minutes and investment plans must be posted on public information boards and official documents must be archived. The evaluating team can directly check both of these requirements by observing the information boards and document archives.

The result from this evaluation is a report which is submitted to the Minister of State Administration and Territorial Management, recommending which Assemblies have fulfilled their Minimum Conditions, and which have not. It is the Minister of State Administration who makes the final decision about which Assemblies will be eligible to receive funds in 2009, however the Ministry staff involved in the evaluation said that their findings from the evaluation where for the most part positive. “In general during my visit to evaluate the Baucau District, it’s going well. Sometimes there are problems with the files, as some files are not complete because they do not yet have an archiving system, but in general everything looks like is it going well,” said Ms. Junior.

The National Director for Local Development and Territorial Management, Mr. Miguel de Carvalho, said that the Ministry has already developed a plan to resolve the problems that were discovered during the evaluation process. “The National Directorate for Local Administration already has a plan to buy file cabinets and other equipment to store files, of a sufficient amount to put at the Sub-Districts so that they can use these [to resolve these problems],” he said.

Following the evaluation of the Assemblies according to the Minimum Conditions, the new LDP districts are beginning the planning process for fiscal year 2009.

By the Numbers: How Assemblies Allocate Local Funds



MSATM Socializes New Decentralization Policy

Ministry officials have toured five districts explaining the changes in the decentralization policy this year. Meetings organized by the Ministry of State Administration and Territorial Management (MSATM) were held in the districts of Liquiça, Aileu, Manatuto, Ermera and Bobonaro with members of the District Administration staff, Sub-District Administrators, representatives from district sector departments and Suco Chiefs from 7-11 July.

Discussions also included the formation of an Establishment Committee, a body that will work to prepare each District to become a Municipality under a decentralized government system. MSATM is currently discussing the composition of the Establishment Committee.

During the meetings, participants raised a number of issues with Ministry staff about the impending decentralization reforms. Some of the issues that were raised included: how and when the elections of the municipal assembly would take place, what would happen to the current sub-district administrations under a district-based Municipal system, and how the Suco leaders would be able to link to the Municipal structure.

During an interview at his office, the National Director for Local Development and Territorial Management, Sr. Miguel de Carvalho, gave answers to these questions. "We are thinking to have elections as soon as 2009 in five Municipalities. When the law or legal framework has been established by Parliament, we plan to have the first election in July 2009," he said. "About the current sub-district administrations, we believe that the current name of 'sub-district' will no longer be used, and Sucos will become part of

the Municipal structure. Municipalities instead can create a new unit within their structure that will be responsible for service delivery, however they will not have to put it at the existing sub-district location – it will depend on the objectives of each district and how they will plan to work closely with their community," said the Director.

"Sucos will be linked to the Municipalities through local planning, which will be established through procedures, and we plan to use a mechanism similar to the current Local Development Programme. Planning will come from the bottom up, as the community identifies their priorities, the Suco council compiles these priorities and submits them to the Municipality so that the Municipality can decide on their priorities for the district and allocate their budget accordingly. Another way that Sucos will be linked to the Municipality is that we believe that in the future, as we are revising the existing law to increase the authority of the Sucos, that the activities at Suco level will also be financed from the Municipal budget. Thus, the Sucos will be linked financially and administratively to the future Municipalities," explained Director de Carvalho.

The revised Policy Guidelines for Decentralization and Local Government were passed by the Council of Ministers in March 2008, and now stipulate that the Government intends to propose the establishment of 13 Municipalities following the current district boundaries. The previous policy had considered the option of forming 31-34 Municipalities by combining the existing 65 sub-districts; through this socialization the Ministry informed local leaders about this change.

During the National Workshop: Remarks from Minister Arcângelo Leite about the Legal Drafting Process

"Before we begin to establish the future Municipalities, I want to say today's meeting is not the only time we will discuss this. At the national level, we will have many more meetings. When the legal proposal has been submitted to Parliament, they will also hold public audiences. Which is to say, this process is not an easy one. We have learned from many countries. Some countries, after having become independent, want to implement decentralization quickly. But establishing a local government in one or two years, this can make the system collapse, or force the system to be changed again. We don't want to repeat these errors. Even though we have the commitment to begin this process, we want to begin realistically."

We are still open to your thoughts, ideas and contributions. The Decentralization Secretariat is always available if you want to contact us. You can come to the Ministry of State Administration and Territorial Management to tell us what you think, to get more information, to express concerns, or give us suggestions – the Ministry's door is always open to your contributions."





Decentralization

In Brief

In August:

- Drafting of law proposals on local government and administrative and territorial division
- DNDLOT holds discussions in all districts on the formation of the Establishment Committee

Ministry of Health Prepared for Decentralization

Members of the Ministerial Technical Working Groups (MTWG) at the Ministry of Health have concluded from their discussions that decentralizing health services may strengthen and increase the efficacy of health programs at the local level.

“When the decentralization process has already begun, the Ministry of Health will be ready. We will be ready technically, to transfer the functions [we have identified] to the Municipalities, and then the Ministry of Health will only provide support,” said Dr. Rui Maria de Araújo, Special Advisor to the Ministry of Health.

According to Mr. Francisco Antonio Soares dos Santos, the National Director for Administration, Logistics and Procurement at the Ministry of Health, one advantage of decentralizing health services is that local levels have better access to information about community needs. “We don’t know [about local needs], they [the local authorities] know more about that. Therefore, when local authorities make plans from the bottom up, the benefits are not just for one person but for all people at the local level,” said Mr. dos Santos, who is also the focal point for the Ministry of Health’s MTWG.

Government officials across ten Ministries are putting the finishing touches on their recommendations on which functions to decentralize to a local level of government, a process that could begin as soon as next year. Each MTWG has been working since May discussing how their Ministry will decentralize, and each MTWG is presenting their recommendations at the National Workshop on the Road to Decentralization on 31 July.

The Ministry of Health is one of the Ministries presenting their recommendations at the National Conference. They have prepared a summary of their recommendations on which functions are best to decentralize, as well as plans for the budgeting and personnel needs of local governments in order to run the existing health programs out of the future local government offices. Not all functions, however, will be decentralized, said Mr. dos Santos while explaining the Health Ministry’s different recommendations. “The functions we have discussed,

not all can be handed immediately to the local level. Some functions will be the responsibility of the central level, such as policy making and human resources,” said Mr. dos Santos.



Meeting of the Ministry of Health’s Technical Working Group on 23 July 2008 where the MTWG presented their recommendations for decentralization

Though most of the work to prepare the Ministry of Health for the decentralization process is completed, members of the TWG recognize it will not be an easy process. “We are also worried about a few things, such as capacity at the local level, as all civic servants do not have the same skill level. We need to give regular trainings so that they are capable of managing the functions that are handed over to them. We have already made plans to address this issue – we can’t just hand over authority but do nothing else. We need to continue to work and give training to local officials,” said Mr. dos Santos.

Dr. Rui Araújo also recognized the problem of capacity, but believed that the process of decentralization would inherently build capacity. “In order to advance the decentralization process, we don’t need to wait until capacities have been fully developed before we begin. If we don’t, we never give the technicians, the civil servants and those working at the lower ranks in the structure of the Government the opportunity to assume responsibility and participate actively in the development process,” said Dr. Araújo.

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In Pictures: *The Minister of State Administration and Territorial Management, Dr. Arcângelo Leite, presented MSATM’s revised budget and also presented on the Local Development Programme to National Parliament on 8 July 2008.*

