



REPÚBLICA DEMOCRÁTICA DE TIMOR-LESTE  
Ministry of State Administration and Territorial Management

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## **PRESS RELEASE**

### **Announcement of the Allocation of Funds for the Local Development Programme in the 2009 Fiscal Year**

Today, 2 February 2009, the Minister of State Administration and Territorial Management, Dr. Arcângelo Leite, confirmed the Government's commitment to decentralization through the announcement of the funds allocated to the Local Development Programme (LDP) in 2009.

The Ministry's allocated budget for the LDP includes both capital investment and a recurrent budget, with a total of USD 1,826,000. Funds which are allocated to LDP are used by a pilot system of local governance to finance local infrastructure projects. The eight districts participating in the LDP are Bobonaro, Lautem, Aileu, Manatuto, Ainaro, Baucau, Covalima and Manufahi.

There is no discrimination against the five districts which have not yet started the LDP, said the Minister during the conference, because all districts are included in the Government's plan for decentralization. According to this plan, Dili and Oecusse will be included in the first phase of districts that will become Municipalities, and the other three districts which have not yet been included in the LDP, Viqueque, Ermera and Liquiçá, are part of the second phase.

"The LDP is only a pilot for the process of establishing local government. If we allocate too many resources to continue the pilot, then we cannot focus on the future local governments. The districts that have already been involved with the LDP can continue up until the time that they become Municipalities. The government's proposal to establish local government, however, uses a different system from the LDP, therefore it is better to begin following the new system instead of continuing to teach the old system to those districts which have not yet started the LDP," said Minister Leite during his presentation.

"This Ministry recognizes that decentralization is something that requires a strong commitment in order to work, because these reforms establish a new system. We all want the government to work towards establishing a strong system, with people that have enough capacity to make progress in local development. This isn't a light-hearted commitment, and because of this the Ministry also must recognize its own capacity and not attempt more programs than we can reasonably complete," said the Minister.

The allocation for the Local Development Programme is based on the population of each district, with the estimated based on \$3.50 per person. The 2009 LDP allocation for capital investment in each district is as follows:

<b>District</b>	<b>Capital Investment (USD)</b>
Bobonaro	289,000
Lautem	202,000
Aileu	130,000
Manatuto	135,000
Ainaro	187,000
Baucau	366,000
Covalima	196,000
Manufahi	155,000
<b>Total</b>	<b>1,660,000</b>

Districts participating in the LDP also receive a recurrent budget, beyond the capital investment, to cover activities including meetings, verification, supervision, and monitoring of project implementation. This budget is calculated as 10% of the capital investment budget, and so for this year the regular budget is \$166,000, which together with the capital investment budget makes the total budget \$1,826,000.

Funds allocated to the Local Assemblies in each district, which are composed of representatives from the Suco Councils. Local Assemblies can use these funds for activities which have a direct or indirect effect on poverty and have a large impact on the community. Until now, Assemblies have used their allocation for activities like improving access to water, building clinics and schools, and other projects which impact local development.

Assemblies allocate funds to projects based on a yearly planning process, in which proposals are solicited from the community and submitted to the Assemblies for their final decision and approval. Assemblies can make their own decisions, however they must follow regulations from the central government about how to manage their budget. According to the regulations, to gain access to the funds, the Assemblies need to pass a yearly evaluation. The evaluation for 2009 was recently held from the 12-23 January 2009, with the result that all Assemblies have passed and can receive their fund allocation for 2009.

ENDS.

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