

DECREE-LAW No. 4/2012

of 15th February

**PLANNING OF INTEGRATED
DISTRICT DEVELOPMENT**

The Constitution of the Democratic Republic of Timor-Leste, in paragraph 1 of article 5, sets out that “The State shall, in its territorial organisation, respect the principle of decentralisation of public administration.” In order to comply with this constitutional mandate the Government proceeded to test the model of the local government system through its Local Development Programme, which set out the institutional arrangements of local government, planning and local implementation, budget management and local public procurement, and created the link between community leadership and the Government.

At the same time, the Government also implemented its programmes in Districts, Sub-Districts and Sucos, through its devolved services. For this purpose, in 2010 the Government began its study on the practical lessons learnt through the Decentralised Development Programme (PDD) which also devolved its implementation to the administration of the District.

Furthermore, the Ministry of State Administration and Territorial Management has played the role of facilitator in Sucos to help identify community priorities, through the Sucos Development Plan (PDS), with the purpose of coordinating these priorities with the Local Development Plan and also contributing to the Government’s Strategic Development Plan (PED).

Based on the aforementioned experiences, and in order to better prepare all Districts before their transformation into Municipalities, and to strengthen the Government policy defined in the PED, the Government needs to establish a planning and

implementation system which will guarantee that the State budget will be invested in those areas that Districts and Sub-Districts define as priorities.

Thus, the Government hereby decrees that the following shall be considered law under the terms of the provisions set out in sub-paragraph o) of paragraph ... of article 115 of the Constitution of the Republic.

CHAPTER I

SCOPE AND OBJECT

Article 1

Scope

1. The present diploma creates the Integrated District Development Plan (PDID) which defines and regulates the applicable rules regarding powers, planning, implementation and financing for the implementation of State projects at District and Sub-District level.
2. This Decree-Law also establishes the process by which the District Investment Plan (PID) shall be drawn up. It is an annual plan implemented in harmony with the Suco Development Plan (PDS), Local Development Programme (PDL) and the Decentralised Development Programme (PDD) at District and Sub-District level.
3. The rules defining the planning process, approval, implementation and monitoring shall also apply to the programmes set out in the Decentralised Development Programme (PDD) I and II, in joint coordination with the National Development Agency for the implementation of the projects.
4. The Ministry responsible for Local Administration shall be responsible for guaranteeing the implementation of this Decree-Law.

Article 2

Objectives

This objective of this Decree-Law is to define and regulate:

- a) The planning process, implementation and monitoring of sectoral programmes at District and Sub-District level.
- b) The composition and the powers of the bodies responsible for planning, approving, implementing and monitoring the projects implemented through the PDID.
- c) The rules of mandatory consultation with the bodies set out in article 3 of this diploma.

CHAPTER II

BODIES AND POWERS

SECTION I

General Provisions

Article 3

Bodies

1. The planning and implementation of the PDID shall be undertaken by way of a consultation and monitoring process with the following bodies:
 - a) District Development Commission;
 - b) Sub-District Development Commission;
 - c) Territorial Delegations of Ministries in Districts and Sub-Districts;
 - d) Suco Council.
2. The synchronisation of the PDID at District and National level shall be undertaken through consultation and coordination between the relevant bodies, during:
 - a) The District Development Coordination Meeting; and
 - b) The National Development Coordination Meeting.

SECTION II

District Development Commission

Article 4

Powers

The District Development Commission, hereinafter known as CDD, shall be the district-level deliberative body with powers to plan, decide and implement the District Investment Plan.

Article 5

Composition

1. The CDD shall consist of:
 - a) Administrator of the district as Coordinator;
 - b) District Secretary as Vice Coordinator;
 - c) Director of Territorial Delegations of Ministries relevant at District level as members;
 - d) Sub-District Administrators as members;
 - e) Three representatives from among the members of the Suco Council, elected for each Sub-District Development commission.
2. At least one of the representatives of each Suco Council shall be a woman.
3. The process to elect the representatives from among the members of the Suco Council mentioned in paragraph 1 above shall be defined and regulated by Ministerial Diploma issued by the Ministry responsible for Local Administration.

Article 6

Powers

1. It shall be incumbent on the CDD to:
 - a) Plan and decide on the projects and the PID budget;
 - b) Readjust the District Investment Plan in accordance with the General State

Budget Law, approved by National Parliament;

c) Supervise the implementation of the PID in the corresponding District;

d) In coordination with the National Development Agency, supervise and coordinate the implementation of the projects defined as PDD II;

e) Maintain and secure the information on the progress of the implementation of the PID is given to the Community;

f) Approve the progress report concerning implementation activities and the financial report, regularly drawn up by the CDD Secretariat to be submitted to the Ministry responsible for Local Administration;

g) Officially deliver to the Community or the competent body of the Government, the equipment and assets realised by way of the implementation of the PID projects.

h) Approve the PID planning and implementation schedule;

i) Other functions which are assigned to it by way of Ministerial Diploma issued by the Ministry responsible for Local Administration.

2. In order to decide on the approval of the PID Projects, the CDD shall also analyse the results regarding the needs of the District, indicated in the reports of the latest Census.

Article 7

Powers of the CDD Coordinator

The CDD Coordinator shall have the powers to:

a) Summon and run CDD meetings;

b) Ensure that all CDD activities are carried out in accordance with the defined and approved schedule;

c) Ensure that the deliberations and decisions of the CDD are implemented;

d) Inform the members of the Commission on the progress of the implementation of CDD decisions;

e) Represent the CDD before any entity;

f) Coordinate development activities and public service provision in the District;

g) Secure the good financial management of the budget allocated to the District through the PDID;

h) Authorise payment and sign contracts between the CDD and other entities;

i) Monitor and draw up the reports on the personal performance of CDD members to be submitted to their respective ministries.

SECTION III

Composition and Powers of the CDD Support Bodies

Article 8

CDD Secretariat

1. CDD operations are supported by a technical and administrative Secretariat.

2. The powers and composition of the Secretariat and its support bodies shall be defined by Ministerial Diploma issued by the Ministry responsible for Local Administration.

SECTION IV

Sub-District Development Commission

Article 9

Nature and Powers

1. The Sub-District Development Commission, hereinafter referred to as CDSD, shall be the advisory body established in the Sub-District with the purpose of supporting the CDD in drawing up recommendations on priority areas for local development.

2. The CDSD shall have the powers to:

- a) Be made responsible for consultation on the priorities of the Suco;
- b) Decide on the proposed investment priorities to be recommended to the CDD;
- c) Support the CDD Secretariat in the supervision of the implementation of the PID in the Suco;
- d) Submit a report on the progress of the implementation of the PID to the CDD;
- e) Present information to the local community.

Article 10

Composition of the CDS

The CDS shall consist of:

- a) Sub-District Administrator as Head of the Commission;
- b) Head of the Territorial Delegations of the Ministries relevant at Sub-District level as member;
- c) Suco heads as members; and
- d) Members of the Suco Council as members with at least one woman, elected in accordance with the rules defined by Ministerial Diploma issued by the Ministry responsible for Local Administration.

Article 11

Powers of the Head of the CDS

The Head of the CDS shall have powers to:

- a) Represent the CDS before any entity;
- b) Summon and run CDS meetings;
- c) Guarantee that all CDD activities are carried out in accordance with the schedule previously defined and approved;
- d) Secure consultations at Suco level;

- e) To maintain and secure information on the progress of CDD activities and give the community such information;
- f) Report to the CDD on the progress of the implementation of the PID;
- g) Carry out the other tasks set out by law or delegated by the CDD.

SECTION V

Territorial Delegations

Article 12

Nature and Powers

1. Territorial Delegations, hereinafter referred to as DT, shall be the devolved services of the Ministries which are relevant at District and Sub-District level, established with the purpose of drawing up the District Investment Plan in each sector, at the District and Sub-District level to be submitted to the CDD.
2. Territorial Delegations shall be represented by a District Director.
3. The District Director shall obligatorily participate in the meetings. This function may not be delegated to any other official except in the event of a duly justified impediment.
4. TD have the powers to:
 - a) Submit to the CDS the proposed priority investment of the Sub-District sector and to the CDD at District level;
 - b) Draw up a draft and technical cost estimate for investments;
 - c) Submit a report to the CDD during the implementation of the PID in each sector;
 - d) Guarantee that future Operation and Maintenance costs of projects to be implemented are allocated to the budgets of the corresponding Ministries.

Article 13

Powers of the District Director

The District Director as the representative of the territorial delegation shall have the powers to:

- a) Summon and run the meetings in each sector;
- b) Actively participate in the meetings and CDS and CDD activities;
- c) Guarantee good coordination with the representatives of the Ministries relevant at District and Sub-District level with a view to drawing up the strategic plan, the allocation plan related to investment capital and administrative affairs of each sector;
- d) Guarantee that the technical draft and estimated costs of infrastructure projects are submitted to the CDD within the established time limit;
- e) Undertake the technical supervision of the implementation of infrastructure projects in the relevant sectors;
- f) Guarantee the implementation of CDD activities in accordance with the previously established and approved schedule;
- g) To maintain and secure information on the progress of PDID activities in the sectors and give the community such information;
- h) Submit a report to the CDD and corresponding Ministry on the progress of the implementation of the PID;
- i) Appoint a technical officer as coordinator of the Verification, Assessment and Supervision Team in accordance with his sector.

SECTION VI

Suco Council

Article 14

Suco Council

Notwithstanding the powers set out in Law no. 3/2009 of 8th July, the Suco Council shall be assigned the following powers for the purpose of the implementation of this process:

- a) Accountable for consultation on the priorities of the Suco;
- b) To support the supervision of the implementation of the PID;
- c) To present information to the local community and the CDD;
- d) To choose and appoint its representative at CDS in accordance with the rules defined by Ministerial Diploma issued by the Ministry responsible for Local Administration.

Article 15

Powers of the Head of the Suco

Notwithstanding the powers set out in Law no. 3/2009 of 8th July, the Head of the Suco shall be assigned the following powers for the purpose of the implementation of this process:

- a) To summon and run the meetings in the Suco with a view to drawing up the Suco Development Plan;
- b) To guarantee the members of the Suco Council actively participate in the Suco Council meetings;
- c) To secure the consultation process with the local community on the priorities of the Suco;
- d) To prioritise and approve the priorities of the Suco based on the needs of the community;
- e) To submit the priorities of the Suco to the CDS;

f) To provide support to the supervision of the implementation of the projects in the Suco.

SECTION VII

Coordination Meetings

Article 16

District Development Coordination Meeting

1. The District Development Coordination Meeting, hereinafter referred to as ECDD, shall be the meeting summoned and run by the CDD Coordinator with the participation of all the relevant entities in the District.
2. The ECDD shall be held to discuss and synchronise the draft PID in order to avoid duplication with other development plans.
3. The Director-General or his representative shall take part in the ECDD to present the policy of the respective Ministry.
4. At the end of the ECDD a list with the investment proposals to be incorporated in the PID shall be drawn up.

Article 17

National Development Coordination Meeting

1. The National Development Coordination Meeting, hereinafter referred to as ECDN, shall be the meeting held at national level with the participation of the representatives of all Districts, representatives of Ministries at District and National level, of civil society and development partners.
2. The ECDD shall be held to discuss and align the proposal of the annual projects plan with the National Development Plan in order to avoid duplication.

3. The ECDN shall be chaired by the Prime Minister, or by his representative, and shall be run by the Ministry responsible for Local Organisation and by the Ministry of Finance.

4. The Ministers of the relevant Ministries shall take part in the ECDN in order to ensure the annual projects plan is in line with the National Development Plan.

5. At the end of the ECDN the list of PID projects shall be confirmed.

6. The approved PID shall be submitted to the central Government through the Minister responsible for Local Administration.

CHAPTER III

DRAFTING OF THE DISTRICT INVESTMENT PLAN

SECTION I

Principle underlying the Drafting of the District Investment Plan

Article 18

Principle underlying the drafting of the PID

The PID shall be drafted once a year based on the harmonisation between the Suco Development Plan and the National Strategic Development Plan.

Article 19

Drafting of the PID

1. The drafting of the PID shall take place according to the following phases:
 - a) Identification of the development investment need of the Suco;
 - b) Prioritisation of the investment needs at Suco level and of the Territorial Delegations at Sub-District level;
 - c) Prioritisation and approval of the investment needs at CSDS level and of the Territorial Delegations at District level;

- d) Examination, verification and assessment at District level;
- e) Prioritisation of the proposals and preparation of the draft District Investment Plan by the CDD;
- f) Presentation and discussion of the draft District Investment Plan drawn up by the CDD at the ECDD and ECDN;
- g) Completion and approval of the District Investment Plan drawn up by the CDD;
- h) Submission of the District Investment Plan to the Ministry responsible for Local Administration;
- i) Readjustment of the District Investment Plan in accordance with the General State Budget approved by National Parliament.

2. The rules covering the implementation of each phase shall be defined by Ministerial Diploma issued by the Ministry responsible for Local Administration.

CHAPTER IV

IMPLEMENTATION OF THE DISTRICT INVESTMENT PLAN

Article 20

Implementation of the PID

1. The implementation of the PDID shall take place according to the following phases:
 - a) Public Procurement and Contract Process;
 - b) Implementation of the Project;
 - c) Technical Supervision;
 - d) Operation and Maintenance;
 - e) Report.
2. The detailed description of the implementation phases shall be regulated by the joint Ministerial Diploma issued by the Ministry responsible for Local Administration and the Ministry of Finance.

CHAPTER V

FINANCING OF THE PDID

Article 21

Financing

1. The expenses resulting from the responsibilities of the PDID shall be set out once a year in the General State Budget, which incorporates the allocations of PDD I and II and the community development programmes.
2. The PDID may also be financed by the local community or by development partners.
3. The budgetary allocation process for PDID projects shall take the following factors into consideration:
 - a) Equitable distribution;
 - b) Population Density of the District;
 - c) Meeting minimum conditions;
 - d) Assessment of the quality and performance in the previous year.

Article 22

Financial Management

The financial management shall be administered under the terms of Law no. 13/2009 and other applicable regulations.

Article 23

PDID Audit

1. Notwithstanding the powers of other entities, the Inspection and Internal Audit Office of the Ministry responsible for Local Administration shall be responsible for the audit and inspection of the implementation of the PDID.
2. The Government shall be responsible for the audit of financial implementation allocated to the PDID projects, which shall take place by way of external auditors.
3. The financial statements of the CDD shall also be subject to monitoring by

another public institution with powers assigned to it by law.

Approved in Council of Ministers on 11th January 2012

CHAPTER VI

FINAL AND TRANSITIONAL PROVISIONS

The Prime Minister

Article 24

Kay-Rala Xanana Gusmão

Regulations

It shall be incumbent on the Ministry responsible for Local Administration to regulate all the necessary and supplementary procedures for the appropriate implementation of this Decree-Law.

The Minister of State Administration and Territorial Planning

Arcângelo Leite

Article 25

Promulgated on 6/2/2012

Repeals

To be published

1. Ministerial Diploma no. 8/2005-MAE, Ministerial Diploma no. 1/2008-MAEOT, Ministerial Diploma no. 1/2010-MAEOT on Local Assemblies, and Ministerial Directive no. 7/2005 of 15th March, which establish the Financial Procedural Manual of the Local Development Fund and Ministerial Directive no. 8/2005-MAE of 15th March, the purpose of which is to regulation Public Procurement and Contracts shall be repealed.

The President of the Republic

José Ramos-Horta

2. All other provisions contrary to the present diploma shall also be repealed.

Article 26

Project under implementation

The entry into force of the present diploma in no way affects the implementation of PDL development projects, which have already been approved, and whose implementation falls under the scope of previous legislation.

Article 27

Entry into force

This Decree-Law shall come into force on the day immediately following its publication in the Official Journal of the Republic.