

**DEMOCRATIC REPUBLIC OF TIMOR-LESTE
IV CONSTITUTIONAL GOVERNMENT**

DECREE-LAW No. 09 /2008

**ORGANISATIONAL STRUCTURE OF THE MINISTRY OF ECONOMY AND
DEVELOPMENT**

The IV Constitutional Government of Timor-Leste has established a set of priority objectives on legislative matters, inter alia, the definition of the Organisational Structure of the Ministry itself, in conformity with the provisions of the Constitution and the law.

Small and medium-sized enterprises, cooperatives, foreign direct investment in the country, and banking and insurance services are of paramount importance as development and job creation engines.

The Ministry of Economy and Development envisages an organisational structure predicated upon bodies and services acting in the fields of the economy, the development of the micro-finance and cooperative sectors, as well as the environment.

This statute aims to approve the Organic Structure of the Ministry of Economy and Development whereby the structure of the Ministry and the competences and responsibilities of each of its services and bodies are set forth, in order to enforce the Constitution and Decree-Law No. 7/2007, of 5 September, approving the Organic Structure of the IV Constitutional Government of the Democratic Republic of Timor-Leste.

Thus:

Pursuant to article 115(3) of the Constitution and article 37 of Decree-Law No. 7/2007, of 5 September, the Government enacts the following to have the force of law:

CHAPTER I NATURE AND RESPONSIBILITIES

Article 1 Nature

The Ministry of Economy and Development, referred to as MED for short, is the Government's main body in charge of designing, executing, coordinating and assessing the policy as defined and approved by the Council of Ministers for the areas of development of the micro-finance and cooperative sectors, as well as the environment.

Article 2 Responsibilities

In pursuit of its mission, it is incumbent upon MED:

- a) To propose policies and prepare draft regulations required for the areas within its purview;
- b) To undertake studies with a view to preparing the 5-year national development plan;
- c) To make recommendations to other Cabinet members in preparation for the implementation of the 5-year national development plan;
- d) To propose policies and legislation concerning the promotion of private investment and State partnerships with private investment;
- e) To promote the development of the micro-finance and cooperative sectors, particularly in rural areas and in the agricultural sector;
- f) To publicise the importance of the economic cooperative sector and that of micro and small-sized enterprises and promote training in the establishment, organisation and accounting of cooperatives and small-sized enterprises;
- g) To organise and manage a register of cooperatives;
- h) To develop the environmental policy and monitor the execution and assessment of the results achieved;
- i) To promote, monitor and support strategies for environment mainstreaming in sectoral policies;

- j) To effect a strategic, environmental assessment of plans and programmes and coordinate the environmental impact assessment of nationwide projects, including public consultation procedures;
- k) To ensure, in general and at the level of environmental licensing, the adoption and monitoring of measures to prevent and control, in an integrated way, pollution by facilities covered by such licences;
- l) To ensure the protection and conservation of the environment and biodiversity, overseeing the implementation of the policy and monitoring activities that are harmful to the integrity of the National Fauna and Flora, in conjunction with the concerned entities;
- m) To set up mechanisms for collaborating and coordinating with other governmental bodies responsible for related areas.

CHAPTER II PURVIEW AND OVERSIGHT

Article 3 Purview and Oversight

The Ministry is within the purview of the Minister who oversees it and is accountable for it to the Prime Minister.

CHAPTER III Organic Structure

Article 4 Overall Structure

1. MED fulfils its responsibilities through direct administration services, indirect administration services, consultative organs, and territorial branches.
2. Territorial branches of the services of the Ministry may be established by a well-founded ministerial statute of the Cabinet member responsible for the economy and development.

Article 5 Direct State Administration

The direct state administration services, within MED, are as follows:

- a) The Director-General;

- b) The Office of Internal Inspection and Auditing;
- c) The National Directorate for Administration and Finance;
- d) The National Directorate for Research and National Development Planning;
- e) The National Directorate for the Environment;
- f) The National Directorate for International Environmental Issues;
- g) The National Directorate for Rural Development;
- h) The National Directorate for Cooperatives.

**Article 6
Indirect State Administration**

The following bodies fulfil MED responsibilities, under the oversight and within the purview of the respective Minister:

- a) Institute for Business Development Support;
- b) Micro-Finance Institute of Timor-Leste;
- c) Institute for Foreign Investment and Export Promotion.

**Article 7
Consultative organ**

The Advisory Board on Economy and Development is the consultative organ of the Ministry of Economy and Development.

**CHAPTER IV
SERVICES, CONSULTATIVE ORGAN, AND TERRITORIAL BRANCHES**

**SECTION I
DIRECT STATE ADMINISTRATION SERVICES**

**Article 8
Director-General**

1. The Director-General is in charge of ensuring the overall orientation of all MED services.

2. The Director-General fulfils the following responsibilities:
- a) To ensure the overall orientation of the State in accordance with the Government's programme and directives issued by the Minister;
 - b) To propose to the Minister the most suitable measures for fulfilling the responsibilities mentioned in the preceding subparagraph;
 - c) To take part in the preparation of draft laws and regulations related to its focal area;
 - d) To coordinate the preparation of draft laws and regulations of the Ministry;
 - e) To ensure the overall internal management of the Ministry and its services in accordance with the annual and multi-annual programmes of the Ministry;
 - f) To plan public investment measures, prepare the draft budget and execute the approved budget;
 - g) To control the execution of the operating budget;
 - h) To follow up international cooperation programmes and projects and assess them internally, without prejudice to the existence of specific assessment mechanisms, in coordination with the Ministries of Foreign Affairs and Finance;
 - i) To verify the legality of expenditure incurred and effect the payment thereof once it has been authorised by the Minister;
 - j) To coordinate human resources;
 - k) To promote vocational training and development of staff of the bodies and services of the Ministry;
 - l) To coordinate the preparation of the activities of the Advisory Board;
 - m) To coordinate information intended for the public, the media, and other governmental bodies;
 - n) To prepare, in conjunction with the National Directorates, the annual progress report of the Ministry;

- o) To submit annual progress reports;
- p) To perform any other duties as may be assigned to it by law.

Article 9
Office of Internal Inspection and Auditing

1. The Office of Internal Inspection and Auditing, referred to as GIAI for short, is in charge of undertaking internal auditing of the financial activities of the Ministry.
2. GIAI fulfils the following responsibilities:
 - a) To develop and execute the strategic monitoring plan of the Ministry to effectively and efficiently address its requirements;
 - b) To issue opinions within the scope of its competences and provide technical assistance to national directors;
 - c) To apply the policy on auditing and risk assessment practices, safety quality, control, compliance and research, producing reports on the subject;
 - d) To advise and provide assistance in managing the internal risk management system of the Ministry;
 - e) To review, assess and produce reports on the effectiveness of the internal control system of the Ministry;
 - f) To prepare quarterly, biannual, and annual action plans related to budgetary execution;
 - g) To undertake disciplinary action and internal audits in relation to the services of the Ministry;
 - h) To monitor the financial activities of the Ministry with a view to complying with the laws and administrative regulations applicable to the National Economy and Development System;
 - i) To assess the services delivered in the areas of administration, finance, and property management of the Ministry;
 - j) To propose in a substantiated manner to the competent entity the conduct of disciplinary proceedings whenever irregularities are detected;

- k) To initiate administrative and financial proceedings within the scope of its competences and give opinions thereon;
- l) To promote and ensure good practices and governance of the bodies and services of the Ministry;
- m) To perform any other duties as assigned to it by law.

Article 10
National Directorate for Administration and Finance

1. The National Directorate for Administration and Finance, referred to as DNAF for short, is in charge of ensuring the provision of technical and administrative support to the Minister, the Director-General and the other MED services in the fields of general management, human resources, documentation and filing systems, and property management.
2. DNAF fulfils the following responsibilities:
 - a) To provide technical and administrative support to the Minister, the Director-General and the other directorates of the Ministry;
 - b) To ensure inventories of State-owned property and the maintenance, preservation and management thereof, as well as ensure an inventory of contracts for the supply of goods and services to the Ministry;
 - c) To coordinate, execute and control the allocation of materials to all directorates of the Ministry;
 - d) To ensure an internal communication procedure system which is common to the bodies and services of the Ministry;
 - e) In collaboration with all the services of the Ministry and in accordance with directives issued at a higher level, to prepare the Annual Work Plan and the draft Sectoral Investment Programme of the Ministry, as well as follow up and assess the execution thereof;
 - f) To take part in the preparation of sectoral plans with the various services of the Ministry;
 - g) To prepare, in collaboration with other competent entities, the draft annual budget of the Ministry;

- h) To coordinate the execution of budgetary appropriations earmarked to the various services of the Ministry, without prejudice to the existence of other control and assessment means used by other competent entities;
- i) To coordinate and harmonise the execution of annual and multi-annual plans based on requirements defined at a higher level;
- j) To effect the procurement of supplies for the Ministry;
- k) To comply with and enforce laws, regulations, and other legal provisions of an administrative and/or financial nature;
- l) To promote the recruitment, hiring, monitoring, appraisal, promotion, and retirement of staff;
- m) To process payrolls;
- n) To ensure the collection, custody, conservation and processing of documentation of the Ministry, namely the storage of personal files of staff members of the Ministry;
- o) To comply with and enforce legislation applicable to civil servants by proposing, at a higher level, the conduct of inquiries and disciplinary proceedings, and initiate investigations determined at a higher level in connection with such inquiries and disciplinary proceedings;
- p) To issue opinions and other information with a view to proposing, at a higher level, administrative measures to improve human resources management;
- q) To undertake actions required to meet environmental standards in the area of occupational hygiene and safety;
- r) To maintain a system to store and process statistical data on the Ministry and an updated computerised system on the property held by the Ministry;
- s) To undertake actions required to ensure the maintenance of internal and external communication networks, as well as the smooth running and use of computer resources;
- t) To submit annual progress reports;

- u) To carry out such other tasks as may be assigned to it by law

Article 11

National Directorate for Research and National Development Planning

1. The National Directorate for Research and National Development Planning is in charge of defining economic policies and the national development strategy.

3. The National Directorate for Research and National Development Planning fulfils the following responsibilities;
 - a) To devise strategies and policy tools with potential for generating gains in terms of productivity and competitiveness;
 - b) To monitor trends in the Timorese economy and make short- and medium-term forecasts;
 - c) To monitor trends in the world economy for the purpose of foreseeing business behaviour changes, especially with regard to determining factors of specialisation and international competitiveness;
 - d) To promote, coordinate and undertake situational studies, both general and sectoral, and contribute towards the formulation of policy measures relevant to the focal areas of the Ministry;
 - e) To assist the Minister in following up activities by public entities of a business nature within its purview;
 - f) To develop internal programmes either on its own or with the technical cooperation of other national and international organisations;
 - g) To monitor negotiations for international agreements related to its area of competence;
 - h) To provide technical advise on the preparation and development of programmes and legislation related to its area of activity;
 - i) To gather, organise, disseminate and keep up-to-date specific legislation and information on the areas of activity of the Ministry;
 - j) To submit annual progress reports;
 - k) To perform any other duties as assigned to it by law.

Article 12
National Directorate for the Environment

1. The National Directorate for the Environment, referred to as DNMA for short, is in charge of undertaking studies, executing and monitoring environmental development, protection and conservation policies, as well as preparing and overseeing the application of environmental regulations and standards.
2. DNMA fulfils the following responsibilities:
 - a) To devise, execute , develop and assess the environmental policy guided by sustainable development principles by harmoniously integrating the environmental, sociocultural and economic component into all other sectoral policies;
 - b) To develop, in conjunction with the relevant parent organisations, a policy to protect marine and land life, in order to avoid its destruction and turn it into centres of natural and tourist attraction in the future;
 - c) To review environmental activities and propose public measures and policies for the revitalisation of such activities, including with regard to domestic and international competitiveness;
 - d) To review the state of the national environment, promoting study and monitoring programmes for the various environmental facets;
 - e) To authorise, monitor and follow up environmental activities and assess how measures taken under the environmental policy impact such activities;
 - f) To promote environmental education as a key vehicle for training and raising public awareness of the dynamics of sustainable development and environmental protection, thereby avoiding a continued environmental destruction and inculcating nature conservation values;
 - g) To spearhead the preparation and development of legislative programmes and documents related to the environment and provide technical assistance in environmental matters to those entities that seek it;
 - h) To provide technical support to governmental institutions responsible for negotiating and making decisions in international

fora, in areas within its purview, with the aim of aligning them with the interests of the national environmental policy;

- i) To provide technical support, directly or indirectly, for the activities of enterprises and environmental agents contributing towards a sustainable environmental preservation, by promoting, on the other hand, the requisite actions to add value to solutions that will further streamline and expedite the set of requirements necessary for the formation of a process;
- j) To review, consider and give opinions about information requests prior to the establishment of businesses linked to environmental development and about projects for the construction of facilities and operation of businesses of an environmental nature and others;
- k) To effect a strategic, environmental assessment of programmes and plans and coordinate the processes of assessing the environmental impact of national projects, including public consultation procedures as an integral part of the decision-making process related to the awarding of industrial and environmental licences;
- l) To ensure, with regard to the awarding of environmental licences, the adoption of measures to prevent and control, in an integrated way, pollution by facilities covered by such licences;
- m) To ensure measures to inspect, monitor and guarantee the application of the law to activities and undertakings that are environmentally harmful;
- n) To submit annual progress reports;
- o) To perform any other duties as may be assigned to it by law.

Article 13

National Directorate for International Environmental Affairs

1. The National Directorate for International Environmental Affairs, referred to as DNAAI for short, is in charge of stimulating and coordinating the active participation of the Government in international fora, preparing and formulating positions to be adopted in connection with environmental issues, as well as fostering cooperation and collaboration to promote sustainable and environmental development, without prejudice to the specific competences of the Ministry of Foreign Affairs.

2. DNAAI fulfils the following responsibilities:
 - a) To promote and manage the process of national involvement in the settlement of global environmental problems, namely with regards to multilateral environmental agreements that are binding on the Government of Timor-Leste;
 - b) To procedurally and administratively manage advisory groups and bodies as established by the Government to provide guidance regarding the environmental policy to apply in the country;
 - c) To provide technical support to governmental institutions responsible for negotiating and making decisions in international fora, in areas within its purview, aligning them with the interests of the national environmental policy;
 - d) To submit annual progress reports;
 - e) To perform any other duties as may be assigned to it by law.

Article 14
National Directorate for Rural Development

1. The National Directorate for Rural Development, referred to as DNDR for short, is in charge of studying and executing rural development policies, as well as preparing, implementing and monitoring development regulations and rules in rural areas.
2. DNDR fulfils the following responsibilities:
 - a) To design, execute and assess the national policy on rural development;
 - b) To support and ensure a more dynamic rural economy that will allow rural communities to establish their own living standards;
 - c) To create a climate conducive to economic opportunities, leading to an increase in productivity and income;
 - d) To provide technical advice in the preparation and development of programmes and legislation on its area of activity;
 - e) To review rural economic activities and propose public measures and policies relevant to their development;

- f) To support the media in rural areas in order to ensure the dissemination of information on the implementation of the national development plan;
- g) To set up an integrated and sound mechanism for promoting and completing activities being undertaken by services belonging to other ministries;
- h) To ensure the continuity and implementation of rural market construction and rehabilitation programme with a view to promoting local economic activities, in coordination with relevant services of other ministries;
- i) To support and ensure that social agents carry out their activities by fostering the delivery of affordable services;
- j) To give opinions about information requests prior to the establishment of businesses concerned with rural development;
- k) To review and consider projects for the construction of facilities and operation of businesses that will have a bearing on the development of rural life;
- l) To inspect and monitor activities and businesses established in rural areas in accordance with the law;
- m) To enable the most disadvantaged and other vulnerable groups to participate in and manage the development of their own areas;
- n) To establish territorial branches of the National Directorate for Rural Development in all thirteen (13) districts, with the aim of ensuring infrastructural and economic development in rural areas;
- o) To submit annual progress reports;
- p) To perform any other tasks as may be assigned to it by law.

Article 15
National Directorate for Cooperatives

1. The National Directorate for Cooperatives, referred to as DNC for short, is in charge of designing, executing and assessing the national policy on the cooperative sector.
2. DNC fulfils the following responsibilities:

- a) To design, execute and assess the policy to assist with the development of cooperatives, as well as promote the establishment thereof in various fields across the country;
- b) To publicise the importance of economic organisation in the form of cooperatives;
- c) To prepare training capacity building manuals for cooperatives;
- d) To promote training courses in the establishment, organisation, management and accounting of cooperatives;
- e) To gather, organise and manage data on cooperatives;
- f) To monitor the establishment of cooperatives and their activities, and formulate policies for the development of cooperatives;
- g) To execute capacity building policies in the area of human resources;
- h) To provide technical advice in the preparation and development of programmes and legislation in its area of competence;
- i) To submit annual progress reports;
- j) To perform any other tasks as may be assigned to it by law.

SECTION II INDIRECT STATE ADMINISTRATION BODIES

Article 16 Institute for Business Development Support

1. The Institute for Business Development Support, referred to as IADE for short, is in charge of promoting, registering, coordinating and monitoring domestic private investment, as well as coordinating and carrying out training and business capacity building activities.
2. IADE is governed by bylaws of its own.

Article 17
Micro-finance Institute of Timor-Leste

1. The Micro-finance Institute of Timor-Leste, referred to as IMFT for short, is in charge of supporting the funding of micro and small-sized enterprises.
2. IMFTL is governed by bylaws of its own.

Article 18
Institute for Foreign Investment and Export Promotion

1. The Institute for Foreign Investment and Export Promotion, referred to as IPIEE for short, is in charge of promoting, registering, coordinating and monitoring foreign investment and exports.
2. IPIEE is governed by bylaws of its own.

SECTION III
CONSULTATIVE ORGAN AND TERRITORIAL BRANCHES

SUBSECTION I
CONSULTATIVE ORGAN

Article 19
Advisory Board on Economy and Development

1. The Advisory Board on Economy and Development, referred to as Advisory Board for short, is the corporate consultative and coordinating organ in charge of periodically reviewing MED activities.
2. It is incumbent upon the Advisory Board, namely, to give its opinion about:
 - a) MED decisions with a view to implementing them;
 - b) Work programmes and plans;
 - c) The review of MED activities by assessing the outcomes achieved and proposing new objectives;
 - d) The exchange of experiences and information between all MED services and bodies and amongst their respective managers;
 - e) Statutes which are of interest to MED or any other documents relevant to its services or bodies;

- f) Any other tasks as may be assigned to it.
3. The Advisory Board is composed as follows:
 - a) The Minister, who presides over it;
 - b) The Director-General;
 - c) The National Directors;
 - d) The Director of the Office of the Minister.
 4. The Minister may call on other entities, staff or individuals, from either within or outside the Ministry, to attend Advisory Board meetings, as he or she deems it advisable.
 5. The Advisory Board meets ordinarily once a month and extraordinarily as and when determined by the Minister.

SUBSECTION II TERRITORIAL BRANCHES

Article 20 Territorial branches

Territorial branches are in charge of carrying out specific activities and gathering operating data for the design of local sectoral policy measures.

CHAPTER V FINAL PROVISIONS

Article 21 Relationship between services

1. MED services must function on the basis of objectives set forth in annual and multi-annual plans as approved by the Minister.
2. The services must collaborate with one another and articulate their activities in such a manner that will promote a uniform and integrated implementation of MED policies.

Article 22
Complementary organic laws

1. Without prejudice to the provisions of this statute, it is incumbent upon the Cabinet member responsible for Economy and Development to approve by a ministerial statute the regulatory procedures for the organisational and operating structure of the national directorates of MED.

Article 23
Staffing table

The staffing table and the number of managerial and leadership positions are approved by a joint ministerial statute of the Cabinet members responsible for Economy and Development; Finance; and State Administration.

Article 24
Entry into force

This statute comes into force on the day following the date of its publication.

Seen and approved in Council of Ministers on 27 February 2008.

The Prime Minister

[Signed]

Kay Rala Xanana Gusmão

The Minister of Economy and Development

[Signed]

João Gonçalves

Promulgated on 11/04/2008

To be published.

The President of the Republic, ad interim

[Signed]

Fernando La sama de Araújo