Chapter 3 DEVELOPMENT STAGES

3.1 OVERVIEW

Immediately after its independence, Timor-Leste prepared the National Development Plan (NDP) 2002 to realize the Timor-Leste’s Vision 2020. The Vision 2020 stated the nation’s objective in which by 2020, all elements of the state determined to achieve:

1. Timor-Leste's democracy while maintaining cultural diversity and the environment;
2. Availability of adequate clothing, food and shelter;
3. Creation of security in daily life without any discrimination;
4. Residents free of illiteracy and poor education;
5. Residents free of isolation due to lack of infrastructure;
6. Increased production and jobs availability in all economic sectors;
7. Improvement of prosperity rate in Timor-Leste;
8. Food and price stability by taking into account the protection of food sources;
9. Financial and economic management in a transparent and accountable manner;
10. Law enforcement on every aspect of life.

The overall objectives are then elaborated into the National Development Plan 2002 into 16 (sixteen) ideals to be realized by the Government of Timor-Leste. The 16 (sixteen) ideals can generally be grouped into 2 (two) major objectives, namely:

1. Poverty reduction in every district in Timor-Leste;
2. Promoting the goal of fair and just economic growth while maintaining the quality of education, health, and life of every resident.
The NDP 2002 is a cornerstone of Timor-Leste’s development planning process. However, it has not been fully able to achieve the desired targets. Timor-Leste’s economy remains stagnant with an alarmingly high level of poverty, unemployment, lack of national food security, lack of access to basic services, low quality of human resources, inequitable economic growth, and limited use of local resources.

Out of the many problems faced by Timor-Leste, some of the most critical are:

1. Human Resources (HR), in which Timor-Leste still face the demographic pressure problem of high population growth with slow economic growth. Low standard of health, education, high rates of infant and child mortality, malnutrition and gender discrimination remain major obstacles of human qualities that the Government of Timor-Leste must deal with in its function as the actor of development;

2. Natural Resources, in which Timor-Leste is tremendously dependent on their oil wealth. Commodity diversification is needed, especially agriculture and plantation sectors. What remains as an obstacle is the high dependence on natural conditions and ineffective uses of technology so that the quality of commodities produced are also less able to compete at the international level. Diversification of the tourism sector also needs to be considered since Timor-Leste has some of the most remarkable geographical conditions which can be developed and taken advantage;

3. Investments are still low in volume both for domestic and foreign investment. This condition happens due to low standards of quality and availability of infrastructure owned by the Government of Timor-Leste. Such is also the case due to other constraints such as land tenure, fiscal and monetary incentives;

4. Infrastructure, wherein the Government of Timor-Leste needs to address the problems of providing access to roads, bridges, water, electricity, and telecommunication. Therefore, in recent years the Government of Timor-Leste has shifted their main attention on the problem of providing adequate infrastructure to support investment in the many districts in Timor-Leste.

Timor-Leste needs to speed up the development process to realize the country’s vision without delay. Learned from the weaknesses of previous planning process, Timor-Leste should have a more rigorous planning framework that would direct the
country where to go in the future. It should have a clear vision and mission both in the medium and long term. Planning of national development for the sake of short term needs results in unpredictability.

3.2 DEVELOPMENT STAGES

The long term development plan of Timor-Leste is intended to create the momentum for entering the nation's vision. The agenda focusing on efforts to accelerate the development in various areas by emphasizing on building a solid economic structure based on competitive advantages in various areas supported by qualified and competitive human resources.

Welfare of the people continue to increase as shown by the higher and more equal income levels; coverage range of social security institutions are more comprehensive; competent, motivated and competitive human resources among others, characterized by increased and shared access to the high quality and relevant education in line with more efficient and effective management of education services; enhancing the ability on science and technology; the increasing degree of health and nutritional status of communities; increasing welfare and protection of the children and realization of gender equality; the persistence of balanced population growth.

More advanced economic structure marked by strong economic competitiveness and continuing integration of petrochemical industry, general industry, agriculture, marine and natural resources, and services sectors. Governance and economic institutions have been arranged, organized, and functioning properly. The condition is supported by the link between education services, and technology capabilities becoming more advanced that promote an efficient economy and high productivity. Accordingly, economic growth more sustainable and quality can be achieved so that the income per capita in the year 2030 achieves an equivalent to a middle-income country with even lower open unemployment and poverty rate.

Advanced and prosperous condition manifested in the availability of transportation networks, information technology and reliable electricity for all people in the entire territory of Timor-Leste; and residential fulfilment equipped with infrastructure and supporting facilities for the whole community.
Consciousness, mental attitude, and behaviour of the more stable communities in natural resource management and conservation of the environment to maintain comfort and quality of life so that people can act as drivers for sustainable development concepts in everyday life. In order to establish sustainable development, biological diversity and uniqueness of natural resources continue to be maintained and utilized to keep the added value and competitiveness of nations and to increase national development capital in the future.

Institutional politics and the law has created marked by the realization that strong democratic consolidation in various aspects of political life and the rule of law and upholding the rights of human rights; establishment of security and peace for all people; the realization of good governance, clean and authoritative legal, as well as a professional and neutral bureaucracy; establishment of civil society, political society, and independent economic communities, as well as Timor-Leste's participation in the global arena.

Timor-Leste's development plan is divided into four 5-year development plans (2011–2015, 2016–2020, 2021–2025 and 2026–2030). The first two would form the 1st Mid-Term Development Plan that is intended to lay the foundation for future development while develop Timor-Leste's own capacity to undertake such development. The remaining would be enhancement of the result of the 1st Mid-Term Development Plan towards prosperity as envisioned in the Timor-Leste's Constitution 2002.
3.2.1 1st Medium-Term Development Plan (MTDP) 2011-2020

The 1st Medium-Term Development Plan consists of two Short-Term Development Plans, 2011-2015 and 2016-2020. The main theme of the 1st MDTP is the creation of foundation to support the economic and social activities in Timor-Leste as well as developing the indigenous capacity to play the key role in shaping the future of Timor-Leste. It is focusing on the development of economic and social infrastructure, development of productive sector, particularly the broad-based agriculture sector and later the downstream industry of oil and gas. The human development sector is very much driven by the achievement of the Millennium Development Goals (MDGs).

1. 1st Short-Term Development Plan (STDP) 2011-2015

The first STDP directed to lay foundation for long term development of Timor-Leste, particularly in the area of human resources, economics and natural environment.
The objective of the STDP is increasing social security through resolution of various social issues resulting from economic problems. The main program characterized by efforts to achieve the Millennium Development Goals (MDG) while also addressing the very basic foundation to enable Timor-Leste moving ahead with its long term development agenda. The indicators of successful attainment of this STDP are:

Improving the quality of human resources, among others, characterized by increased human development index (HDI) and gender development index (GDI); better quality and greater public access to education and health services; improving welfare and protection of women and children; increasing gender equality in various fields of development and control the amount and rate of population growth.

Increasing welfare of East Timor was marked by declining rates of unemployment and the number of poor people in line with the quality of economic growth; reduction in disparities between regions, increasing the quality of human resources and improved management of natural resources and environmental quality. The condition was achieved by encouraging economic growth through the creation of a more conducive climate for economic development through acceleration of infrastructure development.

In the public sector, the first five year development characterized by a better formulation of macroeconomic policy covering the monetary and fiscal consolidation. Although revenue from oil and gas remaining the engine of growth, other productive sector have also start to grow. Delivery of public services also improving through well-organized institutional bureaucracy and capable civil servants that is based on good governance principles.

Within the framework of achieving sustainable development, natural resource management and conservation of environmental functions developed further by strengthening institutions and increasing public awareness characterized by the development process of rehabilitation and conservation of natural resources and environment, along with strengthening the active participation of the community; maintaining biodiversity and particularities of tropical natural resources to create added value as well as national development capital in the future.
The condition is supported by the viability of spatial planning and space utilization to maintain planning consistency and the enforcement of regulations to control the use of space.

2. **2nd Short-Term Development Plan 2016 - 2020**

Following the achievement of 1st STDP, the 2nd STDP is intended to consolidate the foundation of economic development by emphasizing efforts to increase the quality of human resources, economic institutions and strengthening economic infrastructure.

Increasing people’s welfare is shown by the improvement in various indicators of human resource development, among others, increasing income per capita; declining rates of poverty and unemployment rates in line with the quality of economic growth accompanied by the development of social security institutions; rising levels of public education supported by the implementation of the national education system; increasing degree of health and nutritional status of communities; increasing gender equality; protection of children; management of population growth; declining welfare gap between individuals, community groups, and between regions; and development of potential economic centres outside Dili.

Strengthening of economic institutions reflected in a well running state owned enterprises in oil and gas, agricultural and banking sector in line with increasing participation of private companies and community initiatives in the economic activities.

The condition is supported by the development of transport infrastructure networks; increased utilization of domestic energy, especially natural gas for electricity; and development of water resources and the development of housing and settlements. Simultaneously, the marine industry, including fisheries, marine tourism and mineral resources developed in synergy, optimal, and sustainable manner.

Accordingly, the life of a more democratic nation increasingly manifest indicated the strong role of civil society and political parties in the life of the nation. Furthermore, the quality of public services is improving marked by the fulfilment of the minimum service standards at all levels of government.
3.2.2 2nd Medium Term Development Plan 2021 - 2030

Based on achievement of 1st MTDP, the 2nd MTDP is aimed to take further the overall development by creating sufficient economic scale as a mean to sustain the economic growth and entering the international market. The period emphasizing on the achievement of economic competitiveness, competitive advantage based on natural resources and qualified human resources and the ability to utilize appropriate science and technology.

The quality of human resources continues to improve characterized by increasing quality and relevance of education that is supported by efficient education management; increasing degree of health and nutritional status of communities; increasing gender equality; child protection and achieving balanced growth of population.

Improved public welfare, increases in proportion to the level of state welfare-middle income countries, and equally driven by the increasing quality of economic growth that accompanied the realization of social security institutions.

Economic competitiveness of East Timor becoming stronger and more competitive with integrated petrochemical products, agriculture-based industries, marine and other natural resources based product; the availability of infrastructure throughout Timor-Leste, alignment of education with development requirements, development of science and technology to support the industry and arrangement of economic institutions to increased efficiency, productivity, mastery and application of technology in the economic activity.

The availability of appropriate infrastructure with spatial planning is characterized by the development of transport infrastructure networks; availability of reliable electricity supply; the implementation of information technology services to serve modern society; realization of water conservation capable of maintaining the sustainability of water supply and the fulfilment of drinking water supply to meet the basic needs of society. In addition, the development of rural infrastructure will continue to be developed, especially to support agricultural development. Accordingly, housing needs are provided with infrastructure and supporting facilities with the support from a long-term sustainable, efficient, and accountable housing finance system.
Implementation of sustainable development is reflected by the steadily increasing carrying capacity of environmental preservation and restoration capabilities to support the quality of social and economic life in a harmonious, balanced, and sustainable; continued improvement in the management and utilization of natural resources are balanced with efforts to conserve the environment and supported by increased consciousness, mental attitude, and behaviour of society; and the more solid institutional and spatial planning capacity in Timor-Leste.
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<th>Table 3.1 - Development Plan</th>
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<td><strong>Develop Vocational Skills</strong></td>
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3.3 SHORT TERM DEVELOPMENT STRATEGY

There are 3 (three) main development strategies that will be pursued in the short term, namely human development, productive sector development and infrastructure development. The development strategy is aligned with the objective of the Millennium Development Goals (MDG) but takes it further beyond to lay the foundation for future economic development of Timor-Leste.

3.3.1 Human Development

1. Education

Education is one of the main pillars in the endeavour to enhance the quality of human resources. In fact, education performance, namely the composite of the crude enrolment rate of primary education through tertiary education and the literacy rate, has been used as a variable in computing the Human Development Index, together with the variables on health and economic well-being. Thereby, it is necessary that Timor-Leste's education development be able to ensure that there is an equitable access to education, enhanced quality and relevance and efficiency in education management.

2. Health

The development of health must be viewed as an investment for enhancing the quality of human resources, as measured by among others the Human Development Index (HDI). In the HDI, health is one of the major components in addition to education and income. Health development is also an investment for supporting economic development and assumes an important role in the efforts to alleviate poverty.

3. Population and Quality Families

Population and quality families are essential for attaining a sustainable development. This is to be realized by controlling the growth of the population and by enhancing the quality of the people and human resources. Such development involves among others the efforts to control population growth, family planning and promoting the quality of the population, through the realization of the quality family and by enhancing the mobility of the
population. In that respect, reforming the population administration is imperative for supporting population planning. The youth as part of the population is an asset to national development, especially in the economic field. In the above context, it is important to broaden the participation of all layers of society in the culture of sports activities, so as to enhance the quality of the population of Timor-Leste. Looking at current population structure, in the next 20 years Timor-Leste will attain a balanced population growth and will experience a demographic bonus (a situation in which the dependency ratio is low, namely the total number of productive age population is greater than the total number of non-productive age population, due to the change in the age structure).

4. **Poverty Alleviation**

On the basis of the national strategy for poverty alleviation, poverty is defined as a condition in which the basic rights to maintain and develop a decent life is not being met. This definition is based on the recognized right that poor community members have the same basic rights as any other community member.

Poverty is no longer perceived as merely an economic incapacity, but also as the failure to meet basic rights and the different treatment for a person or group of persons in having a decent life. The generally recognized basic rights encompass rights to have adequate food, to health, education, employment, housing, clean water, land, natural resources and the environment, to have a sense of security from acts or threats of violence and the right to participate in social-political life, for females as well as males.

3.3.2 **Economic Development**

Agriculture revitalization is aimed at supporting the efforts to attain the target of creating employment opportunities, especially in the rural areas, and at supporting economic growth. The agricultural sector absorbed more than 80 percent of the total work force, contributed almost 80 percent of the total of non-oil/gas exports value. The agricultural sector also has a significant role in ensuring national food security and fulfilling the people's right to food.
Agriculture revitalization is pursued through three main measures, namely increasing the capability of farmers and strengthening the supporting institutions, strengthening food security, increasing productivity, production, competitiveness and value added of agricultural and fishery products for the diversification of economic activities and supporting food production by taking into account gender equality and sustainable development.

3.3.3 Infrastructure Development

The development of infrastructure is an integral part of national development. Infrastructure is the facilitator of economic growth. Activities in the transportation sector form the backbone of activities for the distribution of goods and passengers. Transportation generally is the catalyst of economic growth, regional development and is the unifying element of a country. In Timor-Leste, transportation infrastructure encompasses land transportation, sea and air transportation. Generally, the transportation infrastructure carries out a public service function and the mission of national development. Transportation also is a form of service industry. The development of transportation is directed at supporting the efforts to attain Timor-Leste that is prosperous, just and sustainable.

In the context of increasing the welfare of the people, the public service function of transportation is in the form of providing transportation services that encourage greater equity in development, that facilitate the meeting of needs of the public at large at affordable prices, in urban as well as rural areas, by supporting efforts to increase the welfare of communities and by enhancing the mobility of goods and services and inducing growth of economic sectors in the national economy. Therefore the development of transportation is directed at increasing transportation services so as to become more efficient, reliable, of good quality, safe and at affordable prices.

It is also necessary to develop the transportation system that based on possible integration among transportation modes, spatial layout system, and sustainable development that will form a distribution system, which can provide services and benefits to the general public.

The provision of infrastructure, such as electricity and telecommunications, is related to the modernization of the nation and constitutes an essential aspect in the efforts for increasing productivity. The widespread and equitable availability of
housing and settlement facilities, such as drinking water and sanitation facilities, and the management of water resources in a sustainable manner, contribute to the enhanced welfare of the people.

It has for long been understood that infrastructure is the major facilitator of development in any region. The disparity of welfare among regions can be fairly attributed to the discrepancy in infrastructure among such regions. In this context, the development of infrastructure based on regions will need to be increasingly taken into account. Experience has shown that transportation has an important contribution to the efforts to open up isolated regions and that the availability of irrigation is the precondition to the successful development of agriculture and other sectors.
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<th>Key Result Area</th>
<th>Target /Objective</th>
<th>Long Term Strategy</th>
<th>Short-Term Strategy</th>
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| Human Development | Education | Better quality of human resources including women participation in the development with secondary national net enrolment rate at almost 100% | • Ensuring availability and equitable access to high quality education  
• Ensuring quality, relevance and efficiency in education management  
• Increasing women participation in education  
• Increasing the expansion and quality of tertiary education, considering the need of labour market  
• Reducing the total number of illiterate population. | • Implementing the nine year mandatory primary education  
• Reducing drop-out and repetition rate in primary education  
• Increasing the expansion and more equitable access to secondary education, at the formal and non-formal as well as vocational fields;  
• Implementing non-formal education for citizens who cannot meet their education needs through the formal education. |
| Health | Better human resources quality, as indicated by significant improvement of the Human Development Index (HDI), to support economic development | • Developing the health insurance system for the poor population;  
• Enhancing the equity and quality of primary health facilities.  
• Promotion and prevention of curative and rehabilitative efforts by taking into account gender-equity aspect | • Increasing the quantity, networks and quality of public health centres;  
• Increasing the quality and quantity of health personnel;  
• Increasing the socialization of environmental health and the pattern of healthy living; and  
• Introducing health awareness to the population since the early age  
• Reducing population growth | |
| Population | Population growth of less than 2,4% | • Strengthening the institutions and networks on family planning services in cooperation with the public at large  
• Developing policies for the population distribution | • Reforming the population administration;  
• Increasing the income level of households;  
• Controlling population growth and increasing the total number of |
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<th>Key Result Area</th>
<th>Target /Objective</th>
<th>Long Term Strategy</th>
<th>Short-Term Strategy</th>
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<td><strong>Manpower</strong></td>
<td>Reduce unemployment to less than 8% and increase manpower productivity</td>
<td>- Develop policies to enhance participation of the youth in development activities, sports and culture to enhance the quality of human resources and nation building.</td>
<td>quality families; - Increasing family empowerment and resilient in the upbringing of children.</td>
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<td><strong>Economic</strong></td>
<td><strong>Monetary System</strong></td>
<td>1. Stable and resilient monetary condition 2. Low and attractive level of interest rate to facilitate domestic investment 3. Prudent and efficient financial system that is able to mobilize local capital in form of saving and channel the fund to finance small and medium enterprises development; 4. Low and manageable inflation</td>
<td>- Regular review of the currency system and monitoring of money supply  - Attracting foreign direct investment into the productive sector of Timor-Leste  - Improving saving mobilization through financial institutions  - Increasing domestic production and imposing control on import goods (maintaining the balance of payment)</td>
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<td>Key Result Area</td>
<td>Target/Objective</td>
<td>Long Term Strategy</td>
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<tr>
<td>Fiscal Management</td>
<td>• Optimal mix of government revenue from various sources</td>
<td>• Maintaining political stability and improving economic infrastructure to reduce the country risks</td>
<td>• Increasing revenue from non-oil sector</td>
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<td>• Effective and efficient utilization of government budget</td>
<td>• Diversify the source of Government revenue to be less reliance on oil &amp; gas revenue, including revenue from government investment in State Owned Enterprises (SoE) and Government Investment Corporation (GIC)</td>
<td>• Tax reform</td>
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<td>• Using medium-term expenditure framework for government expenditure budgeting procurement system</td>
<td>• Reforming government procurement system</td>
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<td>• Formulation of medium-term expenditure framework in selected ministries</td>
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<td>• Functioning of national planning agency</td>
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<td>Productive Sector</td>
<td>A balanced economic structure that reflects proportional contribution of major sectors namely oil &amp; gas, agriculture and tourism, to the GDP</td>
<td>• Improvement of domestic production structure</td>
<td>• Import substitution in food and staples through revitalization of agriculture sector</td>
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<td>• Increasing value added of domestic products, including oil and gas derivative products</td>
<td>• Development of tourism industry</td>
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<td>• Improving competitiveness of Timor-Leste’s agriculture products in the export market</td>
<td>• Preparing oil and gas based industry</td>
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<td>• Realization of investment in tourism sector</td>
<td>• Development of processing industries for agriculture products</td>
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<td>Investment</td>
<td>A proportional level of private investment in the form of long-term and sustainable projects in oil &amp; gas, agriculture and tourism sectors</td>
<td>• Maintaining political and social stability</td>
<td>• Clarifying the status and availability of land</td>
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<td>• Ensuring legal certainty including business registry and procedures</td>
<td>• Reforming regulations and incentive scheme on investment</td>
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<td>• Provision of credit facility at reasonable interest rate</td>
<td>• Facilitating establishment of small-medium enterprises through provision of micro credits</td>
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<td>• Ensuring availability of qualified workers</td>
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<td>Key Result Area</td>
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<td>State Owned Enterprises</td>
<td>Healthy and competitive state owned enterprises that can act as development agents while also able to invest on profitable portfolio in Timor-Leste and abroad</td>
<td>- Ensuring good corporate governance principle</td>
<td>Establishment of:</td>
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<td>- Selecting of portfolio (especially on government investment abroad) that optimally spread the risks while maximize return</td>
<td>- National Oil Company</td>
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<td>- Development of Timor-Leste human resources to manage and control the SoEs</td>
<td>- State Owned Banks</td>
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<td>- Regular review of SoE performance against international benchmarks</td>
<td>- Government Investment Corporation</td>
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<td>- Thematic enterprises such as on logistics, commodity processing and trading, tourism</td>
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<td>Community Based Economy</td>
<td>Poverty alleviation, social transformation and income generation for rural population</td>
<td>- Improving and diversifying skill base of community</td>
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<td>- Provision of micro financing</td>
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<td>Infrastructure</td>
<td>Availability of national and rural infrastructure that can facilitate economic growth, increase productivity, equitable access to basic services and modernization of the nation</td>
<td>- Completion of integrated national transport infrastructure and rural access</td>
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<tr>
<td>Economic Infrastructure</td>
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<td>- Development of dam and water storage as well as conservation and reforestation of catchment areas</td>
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<td>- Conversion to gas and renewable energy based electricity generation</td>
<td><strong>Construction of roads and bridges to facilitate oil &amp; gas industry development in southern corridor</strong></td>
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<td>- Development of domestic gas infrastructure to supply industrial</td>
<td><strong>Improvement of present airport and seaport facilities to facilitate of economic development and public transportation services.</strong></td>
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<td><strong>Reconstruction of irrigation facilities</strong></td>
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<td><strong>Expansion of electricity network</strong></td>
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<td><strong>Improvement of telecommunication</strong></td>
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<td>Key Result Area</td>
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<td>Long Term Strategy</td>
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| Social Infrastructure | Accessibility to basic needs such as education, health, and other public services | - Improvement of health and education infrastructure to cover the whole nation  
- Rural urbanization  
- Development of integrated water and sanitation facilities | - Development of health and education infrastructure  
- Development of housing and settlements  
- Development of water and sanitation facilities |
| Natural environment | Greener and more sustainable natural environment with at least 70% protected forests area | - Conservation of natural environment  
- Resettlement of shifting cultivation  
- Development of eco-tourism | - Development of policies and regulations on natural environment  
- Reforestation of critical area  
- Development of spatial plan  
- Assignment of conservation area  
- Education and awareness campaign to people in the and around conservation area  
- Provision of alternative source of income for shifting cultivation |
3.4 SHORT-TERM POLICY DIRECTION

In order to ensure that the strategies can be achieved, the policy direction will be elaborated as follows.

3.4.1 Human Development

1. Policy Direction in Education Sector

   a) Implementing the nine year mandatory primary education with the objective of attaining a quality primary education in an equitable manner throughout Timor-Leste;

   b) Significantly reducing the total number of population that are illiterate by enhancing efforts to expand access to and quality of functional literacy education. This to be supported by efforts to reduce the school drop out rate, particularly in the initial classes at the primary education level;

   c) Expanding equitable access to secondary education, in the general as well as vocational fields, in order to anticipate the increase of graduates from the primary school education. Also to provide sufficient supply of secondary education graduates to the labour market;

   d) Increase the quality of tertiary education, including efforts towards having a more balanced and harmonious relation between the total number and types of study programs and the needs of labour market. Increase and consolidate the role of universities as the spearhead for enhancing the competitiveness of the nation by developing and promoting science, technology, culture and the arts;

   e) Implementing non-formal education in order to provide education services to citizens who cannot possibly meet their education needs through the formal education, such as the population who have never gone to school or are illiterate, school drop-outs, as well as other citizens who have the intention to increase and to obtain skill to earn a living and the capability of increasing their life quality.
2. Policy Direction in Health Sector

a) Increasing the quality of public health centres by improving and upgrading the facilities, medical equipments and health management, including establishment of a national referral hospital and several regional referral hospitals;

b) Increasing the quality and quantity of health personnel to be able to operate the public health centre in the sub-district at the sufficient service level;

c) Developing the health insurance system for the population while the insurance cost for the poor will be borne by the state;

d) Increasing the socialization of environmental health and the pattern of healthy living through various campaign activities and increasing health education to the population since the early age;

e) Enhancing the equity and quality of primary health facilities. Health development will prioritize efforts on promotion and prevention in an integrated and balanced manner with curative and rehabilitative efforts by taking into account gender-equity aspects; and

f) Intensify efforts to eliminate contagious diseases such as malaria and tuberculosis in the endemic area through community participation.

3. Policy Direction in Population Control

a) Management of population growth and increasing the total number of quality families; increasing family empowerment and resiliency in the upbringing of children, increasing the income level of families; and strengthening the institutions and networks on family planning services in cooperation with the public at large;

b) Put in place the policies for the more balanced geographical distribution and mobility of the population so as to become in line with the carrying capacity of the environment, by increasing the economic growth of the regions;
c) Implement population administration policies for encouraging the accommodation of population rights and for enhancing the quality of documents, data and information on population, in the context of supporting the planning and implementation of sustainable development and improving public services, by among others implementing the registration of population towards single identity system;

d) Develop policies to enhance participation of the youth in development activities and at promoting the sports culture and enhancing sports achievements, in order to enhance the quality of human resources and nation building.

4. Policy Direction in Poverty Alleviation

a) Accelerating Rural Development; The efforts for expanding employment opportunities or the rural poor population, males as well as females, in the context of meeting their basic rights are carried out by:

i) Enhancing the development of transport and rural infrastructure (roads, electricity, water and sanitation); and

ii) Developing rural and household industrial activities.

b) Reconstruction of Urban Development; The efforts for expanding employment opportunities for the poor population in urban areas, males as well as females, in meeting their basic rights, are carried out by:

i) Providing the location and space for carrying out the business undertakings of the poor communities;

ii) Developing healthy settlement environment by involving the poor communities;

iii) Providing access of urban communities to health and education services.

c) Developing Coastal Areas; The efforts for expanding employment opportunities for the poor population in coastal areas in meeting their basic rights are carried out by:
3.4.2 Economic Development

- Policy Direction in Revitalization of Agriculture Sector

  a) Policies to increase the capability of farmers and fishermen and other parties involved in agriculture and fisheries and to strengthen the supporting institutions are directed at the following activities:

  i) Extension and support services to farmers, including livestock breeders, fishermen, and those involved in fish cultivation;

  ii) Development of agricultural and rural institutions in order to increase access of farmers and fishermen to productive facilities, developing the government supported delivery system in the agricultural sector;

  iii) Increasing the scale of activities for increasing the bargaining position of farmers and fishermen;

  iv) Enhancing the capability and quality of human resources in the agricultural sector.

  b) The policies for strengthening food security are directed at:

  i) Developing the level of domestic rice production with the availability 65 percent of domestic needs, in order to secure national food self-reliance.

  ii) Increasing the availability of food from livestock and fish products from domestic sources. Increasing domestic animal population and production of food from domestic livestock and to ensure
domestic availability and safety of livestock products to support improvement in the quality of human resources.

c) Policies for increasing productivity, production, competitiveness and value added of agricultural and fishery products are directed at:

i) Increasing the utilization of fishery resources in supporting the economy while still maintaining resource sustainability;

ii) Developing agribusiness activities through an integrated area approach with the concept of promoting agribusiness to achieve economic of scale, so that the efficiency and value added can be increased and that support for the development of rural areas and regional economies can be affected.

iii) Increasing the competitiveness of agriculture and fisheries, such as by providing encouragement and incentives for enhancing post-harvest and processing activities of agricultural and fishery produces, increasing the quality standards of agricultural commodities and food security, protecting farmers and fishermen from unfair competition.

iv) Establishment of State Own Enterprise as means to strengthen the marketing system and business management for handling agricultural business risks and to support promotion of the agro industry.

3.4.3 Infrastructure Development

1. Policy Direction in Roads and Bridges

a) Finalise construction of national, district and rural road network at the standard that are capable to serve future economic expansion and increasing accessibility to the basic services;

b) Harmonizing the road network system with the national spatial plan, which is the basis for regional development and enhancing the harmony with the system of other infrastructure networks to ensure efficiency in the provision of transportation services;

c) Promoting professionalism and self-reliance of institutions and human resources in road infrastructure undertakings;
d) Encouraging involvement of the rural community in the development of rural road infrastructure.

2. Policy Direction in the Water Resource

a) Water resources management takes into account the balance between conservation and utilization, upstream and downstream waters, the utilization of surface and ground waters, the management of demand and the management of supply, and between short-term and long-term interests.

b) The utilization of water resources for irrigation in the next five years will be focused on efforts for reconstruction and building new irrigation networks, the rehabilitation of irrigation areas that are functioning but have been in poor condition.

c) In the utilization of water resources to meet the need for raw water, priority will be given to meet the basic need of households. The utilization of water to meet the need for raw water will be controlled and in line with this efforts will be made to increase the supply of raw water from surface water.

d) The destructive capacity of water, mainly floods, will mainly be controlled by applying the non-construction approach, through the conservation of water resources and the management of river basin areas, by taking into account coordination with the regional spatial plan. Efforts will continue to be made to increase the participation of the people and partnerships among stakeholders.

e) Conservation efforts will be given greater importance so as to result in the even balance between efforts to meet short-term needs and efforts to meet long-term needs.

f) The use of vegetation for water sources conservation is a very important effort because of the absence of substitutes to vegetative functions in the environment. It is nevertheless realized that the vegetative approach will show results only after a long period.
g) The development and management of water resources require institutional reform by changing the authority and responsibility of the respective stakeholders.

3. Policy Direction in Electricity Sector

a) Increase the capacity and expand the network to achieve 60% electrification ratio by 2015 and to ensure that the electricity supplied is safe and reliable while ensuring the conservation of the environment in the construction of the national electricity infrastructure;

b) Increase the effectiveness and efficiency of electric power infrastructure by diversification of energy sources for generating stations with particular priority of using Timor-Leste’s indigenous energy and demand side management including appropriate tariff setting;

c) Increase self-reliance of the national electricity industry, by improving capacity of human resources and by increasing the use of domestically produced goods and services.

d) Achieve an efficient management of electricity business and applying good corporate governance.

4. Policy Direction in Transport Sector

The general policies in transportation development are:

a) Develop transportation infrastructure and facilities in an integrated manner to form a national transport system;

b) Enhancing national mobility and distribution;

c) Establishment of competent institutions that is supported by capable human resources together with reliable data and information;

d) Encouraging the development of a commercial transportation industry that involving private enterprises and the general public and by enhancing the guidance to national transportation undertakings;

e) Improving the safety of transportation.
5. Policy Direction for Energy Development

a) Intensifying the search for energy sources, through the more active encouragement of more intensive and continuous searches for new reserves of energy, mainly crude oil and gas.

b) Energy Diversification is directed at the diversification of renewable as well as non-renewable energy utilization, so as to attain the optimal regional/national energy supply through developing the infrastructure for the production and distribution of natural gas, geothermal energy, and other alternative energy sources;

c) Energy Conservation and Optimalisation is to be applied to all phases of utilization, starting from the supply of energy resources to the final utilization phase so as to ensure that the interest of future generations is maintained.

d) Environmental protection are pursued by taking into consideration all phases of energy development, starting from the exploration and exploitation of energy resources to the utilization of final energy through the use of energy that does not pollute the environment and through the use of environment friendly technology.

6. Policy Direction in Housing and Settlement

a) Developing an institution that is responsible for the construction of housing and settlements, and facilitating the transparent and participatory spatial planning for settlements to ensure increasingly available infrastructure and facilities for modest housing and healthy housing;

b) Development of housing and settlement area in and around economic activity centres;

c) Facilitation and empowerment of the low income population in making available land, sources of financing and environmental infrastructure, through the community based housing development;

d) Increase the quality of service provision of environmental infrastructure and facilities to slumps in urban and coastal/fishery areas.
7. Policy Direction for Water and Sanitation

a) Provide communities with access to water and basic sanitation services in Dili and primary urban centres;

b) Develop operational plan on water and sanitation resources; This will involve planning and implementation programs for district and rural areas, specifically for drinking water, waste water treatment and solid waste disposal;

c) Institutional and Capacity Building; ensure that adequately trained or skilled personnel is available to implement and manage water and sanitation service programs in Dili and primary urban centres;

d) Building public awareness on safe water and good sanitation practices that would lead to improvement of health and welfare while protecting the environment.

8. Policy Direction for Telecommunication & Information Technology

a) Restructuring telecommunication & information technology (telematics) business activities to create conducive investment climate, and for restructuring and improving the performance of telematics service providers. It covers the restructuring of legal system and regulations, the industrial structure and the business climate. This policy is also needed for anticipating the convergence of the telecommunications technology, and the information and broadcasting technology.

b) Increasing the availability of telematics infrastructure to make it easier to generate communication traffic and at the same time, it will become more possible to develop the application industry.

c) Enhancing the promotion and utilization of information and communication technology based applications to increase the quality and competence of human resources in the industry.