



V CONSTITUTIONAL GOVERNMENT

Decree Law no. 08/2013

General Regime of the National Program for the Development of Sucos (NPDS)

Constitutional Preamble

The Program of the V Constitutional Government came to give continuity to programs initiated by the IV Constitutional Government and the National Strategic Development Plan (2011-2030), giving thus continuity to the Government Resolution no. 1/2012 of January 25, which created the Inter-ministerial Coordination Committee to coordinate, monitor and evaluate the implementation of a national mechanism to accelerate community development, and an Interministerial Technical Work Support Group.

This initiative reflects the political will to establish a greater connection of the Government to the Sucos, complementing the different development plans. Substantiating, in this way, the objectives of the Government, in a strategic framework for sustainable development, of the promotion of the social and economic welfare and of the quality of life of the population and of the promotion of the economic and social cohesion, through the participation of the community in their own development. The fulfilments of these ends justify the granting of financial assistance by the Government to entities providing services of general interest.

In this context, the general regime of the National Program for the Development of Sucos (NPDS) is established with an initial duration of eight years and an estimated investment of USD \$ 300 million dollars. In the first years of implementation the Sucos will each receive a grant of about \$ 50,000 USD, funds which may be progressively increased in subsequent years to an average amount of \$ 75,000 USD. These grants will be awarded directly to the Sucos for the execution of small infrastructure projects, previously identified as a priority by the local community.

The Government, through the Ministry of State Administration, will be responsible for the initial training of the teams of professionals in order to allow for adequate intervention in the implementation of the general Regime of the Program, being also responsible, through the Technical Support Secretariat of the National Program for the Development of Sucos, for their supervision and monitoring.

Thus,

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Pursuant to Article 115 (3) and Article 116 (d) of the Constitution of the Republic, the Government enacts to be enforced as law the following:

CHAPTER I GENERAL PROVISIONS

Article 1 Object

The present law defines the general Regime of the National Program for the Development of Sucos (NPDS), establishing its guiding principles and conditions of execution.

Article 2 Nature and structure

1. At national level the NPDS is managed and coordinated by the Technical Secretariat under the direct administration of the Ministry of State Administration.
2. At district and sub-district level the Technical Secretariat of the NPDS is represented by a territorial delegation of the Secretariat.
3. At sucos level, by NPDS's Suco Structures that ensure the participation of the local population in the pursuit of the public interest.

CHAPTER II OBJECTIVES AND PRINCIPLES

Article 3 Objectives

1. The NPDS has as primary objective the improvement of living standards in the Sucos through the introduction of a community development mechanism that complements other programs.
2. The specific objectives of the NPDS are:
 - a) The promotion of mechanisms that aim at establishing greater proximity between the Government and the Sucos;
 - b) Encourage public participation in the development of their communities;

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- c) Job creation through the stimulation of local initiatives for the construction and maintenance of small infrastructure.

Article 4 Guiding Principles

The planning, management and implementation of the general Regime of the NPDS are guided by the following principles:

- a) *Participation, management and accountability of the communities*, through the planning process and implementation of the program;
- b) *Participatory learning*, by means of the direct intervention of the community in the execution of the activities of the program;
- c) *Transparency*, through the dissemination of information about the choices and decisions of the program;
- d) *Accountability*, via the definition of the powers and responsibilities of the different stakeholders in the program;
- e) *Poverty reduction*, by the creation of jobs and increasing household income;
- f) *Gender equality*, by way of ensuring the equal participation in the decision making process, via the establishment of a female participation percentage of 40% in all stages of the program;
- g) *Social inclusion*, through the development of a set of actions and means that fight the exclusion of certain social groups, including the disabled;
- h) *Environmental Safeguards*, respect for the compliance of the rules and of the guiding principles concerning environmental issues.

CHAPTER III ORGANIZATIONAL STRUCTURE

Article 5 Technical Secretariat of the NPDS

- 1. The Technical Secretariat is the service responsible for the execution of the NPDS, namely, its planning, implementation, management and coordination.
- 2. The Technical Secretariat integrates the following units:
 - a) Administration Unit;

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- b) Operational Management Unit.
- 3. The Technical Secretariat is led by the General Director for Local Development of the Ministry of State Administration.
- 4. The General Director is assisted by two deputies that head the Technical Secretariat Units.
- 5. As regards to wages the heads of the Technical Secretariat Units are equated to the National Directors.

Article 6 Duties

The duties of the Technical Secretariat are:

- a) Define the programmatic line of the NPDS;
- b) Propose, suggest and present the policy and the draft of the regulations, necessary for the development of the activities of NPDS;
- c) Create, develop and maintain a Management Information System (MIS) that allows the collection, analysis and dissemination of data and information relating to NPDS;
- d) Draft periodic reports of action and impact assessment;
- e) Carry out analysis, consultations and studies;
- f) Ensure a sound budgetary and financial execution of the funds allocated to NPDS;
- g) Prepare the annual action plan and the respective budget;
- h) Ensure, in coordination with the relevant services of the Ministry of State Administration and the Civil Service Commission, the management of the human resources of the staff assigned to the NPDS;
- i) Ensure the coherence and articulation of policies and measures adopted in the NPDS with the other development programs;
- j) Provide administrative and logistic support to NPDS;
- k) Create and maintain a management system of the assets and equipment allocated to NPDS;
- l) Ensure the quality of the construction and the repair of the small infrastructure

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projects, carried out by the community;

- m) Develop strategies of promotion and information of the NPDS, in coordination with the relevant entities of the Ministry of State Administration;
- n) Present quarterly activities reports to the relevant entities;
- o) Any others that may be legally attributed to it.

Article 7 Administrative Management Unit

1. The Administrative Management Unit of the Technical Secretariat is responsible for ensuring the technical and administrative support in the areas of finance and general administration, human resources, training and document and asset management.
2. The Administrative Unit carries out the following functions:
 - a) Provide general administrative and logistical support;
 - b) Draft the annual action plan and respective budget,
 - c) Monitor the financial management of the NPDS, guide and oversee its accounting and bookkeeping;
 - d) Implement a management system for the equipment allocated to the NPDS;
 - e) Prepare measures that promote the integrated and coordinated application of the activities of the NPDS with other development programs;
 - f) Manage the human resources assigned to the NPDS in coordination with the relevant entities of the MSA (*Ministry of State Administration*) and with the Civil Service Commission;
 - g) Organize the materials and trainings programs regarding the NPDS;
 - h) Any others that may be determined by the General Director.

Article 8 Operational Management Unit

1. The Operational Management Unit of the Technical Secretariat is responsible for ensuring the technical support for the proper execution of the NPDS, for the creation of management information systems, drafting of reports, analysis and development of promotional strategies in the media.

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2. The Operational Management Unit carries out the following functions:
 - a) Ensure the compliance of the programmatic provisions of the NPDS;
 - b) Create, develop and maintain a Management Information System (MIS) that allows the collection, analysis and dissemination of data and information relating the NPDS;
 - c) Ensure the application of uniform quality standards to materials and construction or reconstruction of small infrastructure projects undertaken by NPDS Suco centres, in accordance with applicable law and regulations of the program;
 - i) Prepare periodic reports and briefings about the execution of the NPDS;
 - j) Carry out analysis, consultations and studies;
 - k) Develop, in coordination with the relevant entities of the Ministry of State Administration, products for the information and dissemination actions of the NPDS;
 - l) Any others that may be determined by the General Director.

Article 9 District and sub-district Delegations

1. NPDS Technical Secretariat district and sub-district Delegations ensure the compliance with programmatic provisions and policies regarding NPDS in districts and sub-districts in coordination with other Integrated District Development Planning bodies.
2. District and sub-district Delegations are responsible for technical support, evaluation, monitoring and supervision of the activities planned for the Suco Structures of the NPDS.
3. The coordinator of the district delegations is equated, as regards to wages, to a District Director.

Article 10 Suco Structures

1. The NPDS Suco Structures are responsible for execution of the NPDS in their Sucos and villages, being comprised of:

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- a) Planning and Accountability Committee (PAC);
 - b) Program Implementation Team (PIT);
 - c) Operations and Maintenance Team (OMT);
 - d) Facilitator Team (FT).
2. The internal organization, operation, and the selection of representatives of the NPDS's Suco Structures, is regulated by Ministerial Statute of the Minister of State Administration.

CHAPTER IV EXECUTION OF THE NPDS

Article 11 Types of projects

1. The NPDS subsidizes small infrastructure projects of an average value of about USD \$ 50,000 (fifty thousand U.S. dollars), this amount which may be progressively increased in subsequent years to an average amount of \$ 75,000 USD (seventy-five thousand U.S. dollars), that the local community identifies as priorities and that, due to its simplicity, the community has the capacity to implement.
2. From the third year of implementation of the NPDS, it is possible to subsidize multiyear projects and projects that involve the participation of more than one Suco Structure of the NPDS.

Article 12 Coordination

The Technical Secretariat and the district and sub-district delegations coordinate their activities with the Integrated District Development Planning bodies.

Article 13 Planning and implementation of the NPDS

The planning, selection, presentation, verification and formalization process of the projects to be subsidized by the NPDS and the respective implementation, including the definition of accountability, monitoring and maintenance process of the small infrastructures, are defined by the Ministry of State Administration.

**CHAPTER V
FINANCIAL PROVISIONS**

**Article 14
Financing**

1. The NPDS is subsidised by the State's Budget allocated through the Ministry of State Administration's appropriation entered under the line of public transfers.
2. The NPDS can also be subsidized by the local community and by the development partners.

**Article 15
Subsidies**

1. The subsidies granted under the NPDS have the nature of public subsidies, in accordance with the general rules in force and the special provisions of this Decree-Law.
2. The NPDS subsidies take the form of:
 - a) *Operational subsidies*, which is intended for current expenses associated with the preparation, implementation, monitoring and evaluation of NPDS and training of local teams;
 - b) *Infrastructure subsidies*, which is intended for the purchase of construction materials, payment of services and incentives for community participation in the construction of small infrastructure and other inherent construction.

**Article 16
Payment and schedule of subsidies**

1. The subsidies are granted by bank transfer directly to the bank account in favour of the NPDS's Suco Structures.
2. The payment of the subsidies is bond by the following schedule:

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- a) Operating subsidies in the amount corresponding to 10% of the total fund, upon signing the contract of public subvention concession;
 - b) First tranche of infrastructure subsidies in the amount equal to 50% of the total project cost approved, upon presentation of the respective documentation;
 - c) Second tranche of infrastructure subsidies corresponding to the remaining 50% having been expended 80% of the first tranche, upon submission to the Ministry of State Administration of the report of expenses incurred.
3. The processing of subsidies follows the provisions of this Decree-Law and the supplementary legislation.

Article 17 Amount of Subsidies

1. Excluding the NPDS's Suco Structures in the Dili District, the amounts of subsidies to be granted to other Suco Structures are calculated based on the following criteria:
 - a) Population criteria: an incentive between USD\$40,000 (forty thousand U.S. dollars) and USD\$ 55,000 (fifty-five thousand U.S. dollars) is assigned based on the number of the population of the Suco;
 - b) Accessibility Criteria: an incentive between zero and USD\$15,000 (fifteen thousand U.S. dollars) is assigned based on the classification of the location in relation to the District's capital.
2. The Suco Structures of the Dili District, correspond to fixed subsidies, excluding the sub-districts of Metinaro and Ataúro, in which cases the criteria's described in the first provision of this Article applies.
3. It is the role of the Ministry of State Administration, through Ministerial statute, to define the criteria for increasing the subsidies amount to be allocated, as well as the criteria of accessibility and population.

Article 18 Concession contract of subsidies

The concession contract of subsidies is celebrated between NPDS's Suco Structures and the Ministry of State Administration.

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Article 19 Loss of subsidies

1. The loss of subsidies occurs in the following cases:
 - a) Failure to comply with legal and contractual obligations;
 - b) Providing false information;
 - c) Refusal to provide information regarding the execution of the NPDS;
 - d) Diversion or misappropriation of subsidies allocated.
2. Without prejudice, according to the case, of the respective disciplinary process or legal action, the loss of subsidies implies:
 - a) The ineligibility of the Suco Structures to present another project in the two following years;
 - b) Reduction of the amount of subsidies to be allocated or postponement in the following year;
 - c) The party liable will be removed from office.
3. The decision regarding the loss of the subsidy may be appealed pursuant to the terms of the law.

Article 20 Financial Management

1. Transfers of appropriation for the subsidy from the Ministry responsible for the appropriations are subject to the financial management regime stipulated in Law no. 13/2009 of 21 of October.
2. The financial supervision and monitoring of the execution of public subsidies allocated to the Suco Structures follow the arrangements set out in Government Decree no. 1/2009 of 18 of February.

Article 21 Procurement

1. The small infrastructure projects follow the special procurement arrangements provided for herein, taking into account:
 - a) The less complex nature of the work;

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- b) The reduced amount;
- c) To the direct execution by the community.
- 2. The President of the Planning and Accountability Committee of the NPDS's Suco Structures have the power to approve the procurement procedures of the NPDS, after signing the concession contract of the subsidies.
- 3. In the terms and conditions of the present Decree-Law, the procurement procedures can be of the following types:
 - a) In procedures with a value up to USD\$3,000 (three thousand U.S. dollars), it is used procurement provisioning of direct adjustment;
 - b) In procedures with a value superior to USD\$3,000 (three thousand U.S. dollars), it is used procurement procedure by request of a minimum of three quotations.
- 4. Alternatively it may be applied the general rules of the State's general procurement regime.

Article 22 Audit

- 1. The Office of Inspection and Internal Audit of the Ministry of State Administration is responsible for auditing within the NPDS, without prejudice to the competence of the Chamber of Auditors of the Administrative, Fiscal and Auditors High Court under Law no. 9/2011 of 12 of August.
- 2. The NPDS may still be subject to other external audits to be determined by the Minister of State Administration.

CHAPTER VI FINAL AND TRANSITIONAL PROVISIONS

Article 23 Training

The NPDS conforms to the principle of participatory training, without prejudice to other types of training for stakeholders in the program.

Article 24 Staff Framework

Except for the composition of Suco Structures, the staff framework of the NPDS is fulfilled in accordance with the Civil Service Regime.

Article 25

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Test Projects

1. The general regime of the NPDS is gradually implemented through the creation of test projects in certain Sucos that will test their viability and adjust their implementation.
2. The projects test involves the transfer of the totality of subsidies foreseen in a single tranche.
3. The entry into force of this Decree-Law shall not affect the execution of test projects underway or starting.

Article 26 Periodic Review

The NPDS is subject to periodic review in order to adjust their programmatic content to the aspects identified in the implementation reports.

Article 27 Interministerial Coordination Committee and Interministerial Technical Working Group

The Interministerial Coordination Committee and Interministerial Technical Working Group created by the Government Resolution no. 1/2012, of 25 of January, have a temporary nature and must survive for as long as the NPDS exists.

Article 28 Logo

1. The NPDS features a logo to be used by the entities that participate in it.
2. The logo and description, as well as the conditions for their use are regulated by Ministerial statute of the Ministry of State Administration.

Article 29 Supplementary Regulation

The Minister of State Administration approves, by Ministerial Statute, in coordination with other competent authorities, when there is, the measures necessary for the implementation and development of the rules of this Decree-Law.

Article 30

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Entry into force

This Decree-Law shall enter into force on the day following its publication in the Official Journal (*Jornal da República*).

Approved by the Council of Ministers 26th of June 2013.

Prime-Minister,

Kay Rala Xanana Gusmão

Minister of State Administration,

Jorge da Conceição Teme

Promulgated on.....

To be published.

President of the Republic,

Taur Matan Ruak