



2019 CIVIL SOCIETY ORGANIZATION SUSTAINABILITY INDEX

Asia Region: Timor-Leste Country Report
December 2020



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Cover Photo: The Fourth Regional Disability Rights Dialogue, which was held in Yangon, Myanmar in January 2019, focused on opportunities to integrate disability rights into national policies to implement the Association of Southeast Asian Nations' (ASEAN's) Enabling Masterplan 2025: Mainstreaming the Rights of Persons with Disabilities. The dialogue was co-hosted by the International Foundation for Electoral Systems (IFES), the General Election Network for Disability Access (AGENDA), and the Union Election Commission of Myanmar (UEC) and was supported by USAID, the Australian Department of Foreign Affairs and Trade (DFAT), the United Kingdom's Department for International Development (DFID), and the U.S. State Department's Bureau of Democracy, Human Rights, and Labor (DRL).

Photo Credit: International Foundation for Electoral Systems (IFES)

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For Timor-Leste

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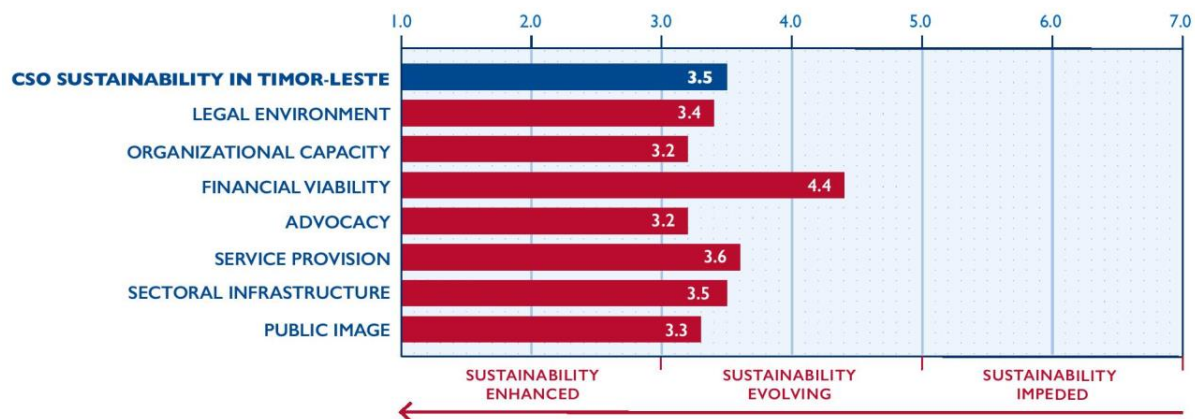
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TIMOR-LESTE

Capital: Dili
Population: 1,383,723
GDP per capita (PPP): \$6,000
Human Development Index: Medium (0.626)
Freedom in the World: Free (71/100)

OVERALL CSO SUSTAINABILITY: 3.5



From 1975 to 1999, Timor-Leste was occupied by Indonesia. This period was characterized by conflict between groups fighting for independence and the Indonesian military. The CSO sector began to develop in Timor-Leste during this period, although it consisted of just a few CSOs, including Asosiasaun Hukum, Hak Asasi, dan Keadilan (Association Law, Human Rights, and Justice, HAK), Ema maTa Dalan ba Progresu (ETADEP), Forum Komunikasi Untuk Perempuan Timor-Lorosa'e (FOKUPERS), as well as international CSOs such as Catholic Relief Services (CRS), OXFAM, Red Cross, and CARE International. Many of these CSOs provided humanitarian and technical assistance to communities and worked as partners to the Indonesian government in the development process. There were also several youth and women's organizations working on human rights with a focus on liberating people from colonization.

From 1999 to 2002, Timor-Leste was governed by a United Nations (UN) Interim Administration. In 2002, Timor-Leste gained its full independence. Civil society began to flourish after this, with people creating local and community-based organizations (CBOs). Several international agencies started to support community development in the fledgling country, including through capacity building focused on the development of strategic plans, organizational and financial management, and surveys and assessments. In addition, they continued to support basic community needs such as water and sanitation, education, human rights, youth engagement, and other programs.

The government of Timor-Leste (GoTL) recognizes CSOs as partners in the implementation of the National Strategic Development Plan (NSDP) 2011-2030 and the realization of the Millennium Development Goals (MDGs) and Sustainable Development Goals (SDGs). In 2007, GoTL established an advisory office under the Office of the Prime Minister to support CSOs and strengthen the partnership between CSOs and the government through the provision of small grants to local organizations in both urban and rural areas. These grants allow CSOs to deliver services and empower communities by acting as a bridge between the government and local communities.

Timor-Leste has a very young population. According to the UN Development Programme's National Human Development Report 2018, Timor-Leste has the fifteenth youngest population in the world, with nearly three-quarters (74 percent) of the population under the age of thirty-five. As such, youth organizations play an important role in the sector and the country's development.

The political situation in Timor-Leste was unstable in 2019. On October 15, the parliament rejected the proposed 2020 budget. Another version of the budget was presented in December, which the parliament also rejected, leaving the country without a budget for 2020.

Overall CSO sustainability in Timor-Leste is evolving. Advocacy is one of the strongest dimensions of CSO sustainability. CSOs actively participate in budgeting processes and provide recommendations to the government, and the government provides CSOs with space to express criticism and engage in public debate. CSOs have formed several networks in the country. On the other hand, financial viability is very fragile, with most CSOs remaining dependent on funding from international donors and the government.

As of the end of 2019, 486 national associations, 82 international associations, and 125 foundations were legally registered with the Ministry of Justice (MoJ). During 2019, 105 national associations and eight foundations newly registered with MoJ.

CSOs in Timor-Leste work in diverse programmatic areas, including human rights, peace building and conflict prevention, gender and social inclusion, youth engagement, agriculture, capacity building, education, monitoring and evaluation, water and sanitation, judiciary, advocacy, humanitarian support, and research. CSOs engage in a variety of activities to empower a range of communities in both urban areas and remote, rural areas.

LEGAL ENVIRONMENT: 3.4

CSOs in Timor-Leste operate under a fairly enabling legal environment. Law No. 5/2005 governs the registration of non-governmental organizations (NGOs) in Timor-Leste. NGOs may be constituted as either associations or foundations. An association is defined as “a corporate body comprised of persons, which does not pursue any profits for its associates and therefore cannot distribute any profits, assets or remainders, or dispose of property owned by the association even in case of winding-up or liquidation,” while a foundation is defined as “a non-profit-making corporate body, of social interest and comprised of property.” The law is written in Portuguese and translated into Tetun, the country’s other official language, as well as English. This creates some problems, as the Portuguese version takes precedence if there is any misunderstanding, while CSOs predominantly use Tetun.

To obtain legal status in accordance with Law No. 5/2005, both associations and foundations register with MoJ. The registration process with MoJ is complicated and bureaucratic. For example, all organizational documents including organizational statutes must be translated from Tetun into Portuguese. The registration process can take up to five years to complete. Organizations awaiting approval of their registration by MoJ can implement programs without any sanctions, although they are unable to receive government grants. In practice, many organizations, including women’s organizations that are part of Rede Feto (Women’s Network), implement programs without registration. Anecdotal evidence indicates that registration officials at MoJ discriminate against people with disabilities and are more likely to facilitate the process for people they know, including friends and relatives.

International NGOs (INGOs) are also governed by Law No. 5/2005 and register with MoJ through the same process as local associations. Most INGOs engage local lawyers to help them interpret the law; local CSOs, on the other hand, generally lack the funds to engage local lawyers to assist them in the registration process.

Many CSOs, including faith-based organizations, also choose to become members of the NGO Forum Timor-Leste (Forum ONG Timor-Leste, FONGTIL) in order to access information, engage in advocacy, and access capacity-building support. In 2019, approximately 203 national NGOs and 27 international NGOs were registered with FONGTIL. To be an active member in FONGTIL, a national organization must pay a monthly membership fee of USD 5, while membership fees for international organizations are USD 25 a month. According to FONGTIL’s internal regulations, organizations that do not pay their membership fees are subject to administrative sanctions. If fees are not paid for more than 120 days, the matter is turned over to FONGTIL’s general assembly to make a final decision in the matter.

CSOs in Timor-Leste are generally not subject to harassment by state institutions or groups acting on behalf of the state. CSOs can protest decisions of the government or national parliament through the use of banners and signs, the organization of demonstrations, media appearances, art displays, and sometimes through homilies during religious celebrations. To organize protests or demonstrations, organizers should submit their plan to guarantee peaceful and non-violent actions to the national police at least one week in advance. There are no known instances of the police rejecting such plans in 2019. Demonstrations must be held at least 100 meters from the government office or parliament.

NGOs are prohibited from earning income but can engage in fundraising to support other organizations or their beneficiaries. CSOs can accept funding from the government and foreign donors.

CSOs do not pay taxes on their grant income but must pay tax on imported goods. According to the Law on Taxation, employees who earn more than \$500 a month must pay taxes equal to 10 percent of their income. CSOs, primarily local organizations, struggle to adhere to these requirements as they are dependent on donors that often do not allow taxes to be included in the budgets of projects they fund. Therefore, only staff that work for international CSOs and CSOs working at the national level comply with the law.

Asosiasaun HAK and some individuals have the ability and knowledge to provide legal assistance and advice to international, national, and local CSOs.

ORGANIZATIONAL CAPACITY: 3.2

Most CSOs—both those in urban and rural areas—have benefited from some capacity-building support from their partners and donors over the years and as a result have a fair degree of organizational capacity. However, CBOs and youth organizations still have very weak organizational capacities.

CSOs generally have good relationships with their local communities. Although the poor condition of roads and other infrastructure in the country makes it difficult for CSOs to access communities in remote areas, the majority of CSOs' activities are implemented at the community level and directly benefit communities. Normally, before implementing community-based activities, CSOs conduct assessments to ensure that they understand the communities' needs; they then use this knowledge to design appropriate projects. In addition, project coordinators and field staff are generally based at the community or municipal level to support the community through the provision of technical assistance.

Most CSOs have statutes that clearly affirm their visions and mission statements, and most CSOs' activities are in line with these guiding principles. CSOs registered with MoJ must have Portuguese versions of these documents; some have also translated them into English to meet donor requirements. Local and national CSOs often have five-year strategic plans that they share with the government and international donors when applying for funding. Some CSOs have developed strategic plans focused on donors' main interventions in the country in order to facilitate their access to funding. In other cases, local CSOs pursue donor funding for programs and activities even when they contradict their strategic plans in order to sustain their organizations.

CSOs generally have boards, but board members rarely contribute meaningfully to organizational governance or fundraising efforts. The role of board members is generally limited to reviewing an organization's annual reports. According to an assessment conducted by FONGTIL in 2019, about 90 percent of CSOs have internal policies and manuals governing issues such as personnel, finances, and fraud. Although written staff manuals help CSO staff contribute to an organization's mission and vision, FONGTIL's assessment further indicates that just 52.9 percent of CSOs implement these tools in practice.

Management capacity—particularly in terms of financial management—in some CSOs is still limited. Therefore, most donors help build the capacity of their grantees' and partners' local staff by providing training and sharing knowledge and experience in relevant areas. Trainings are offered at the municipal, national, and international levels.

As the majority of CSOs are dependent on international donors and government funds, staff members are generally employed on a project basis. After projects end, staff leave their positions, taking the knowledge they gained by participating in various capacity-building activities during their employment. Then, when the organization receives new funding, it needs to recruit new staff members and provide them with additional capacity building.

Some organizations—both in the capital and at the municipal level—apply for international volunteers to support or provide technical assistance to their staff from organizations such as JICA Volunteers, Australian Volunteers, New Zealand Volunteers, and the Peace Corps. Local people generally do not volunteer with CSOs, although some university and vocational training students seek internships with CSOs.

CSOs across the country generally have access to information and communications technology (ICT). CSOs frequently use Facebook to provide information about their activities and promote their organizations to the public and communicate with each other over WhatsApp and e-mail. Some CSOs in rural areas, however, have extremely limited access to computers and have inadequate funding to procure such equipment as donors do not cover such purchases. Access to electricity and the internet is also an issue for rural CSOs.

FINANCIAL VIABILITY: 4.4

The majority of CSOs in Timor-Leste depend on funding from international donors and the government. Some organizations have funding from multiple donors, including the government, which allows them to sustain their activities and organizations. For example, Belun receives funding from various UN agencies, USAID, the German development agency GIZ, and GoTL, while faith-based organization such as Caritas Diocese Baucau (CDB) receive funding from CRS/Timor-Leste and GoTL.

The Office of the Prime Minister allocates funds for CSOs on an annual basis. In 2019, the state budget for CSOs under the Office of the Prime Minister was USD 6 million. Another USD 1.3 million was allocated under the Ministry of Social Solidarity and Inclusion (MSSI) for organizations working on gender-based violence (GBV), people with disabilities, and domestic violence, bringing total government funding for CSOs in 2019 to USD 7.3 million. These funds are distributed through a competitive process based on CSOs' proposals and action plans. However, the transfer process is sometimes delayed because of government bureaucracy, which affects project timelines. While the budget stalemate did not affect CSOs in 2019, it is expected to delay CSOs' access to funding in 2020.

CSOs in Timor-Leste are highly dependent on foreign donor funding. In 2019, the main donors included Australia's Department of Foreign Affairs and Trade (DFAT), USAID, GIZ, the Japan International Cooperation Agency (JICA), and the UN. Main areas of focus include agriculture, nutrition, women's empowerment, and youth. In 2019, some donors changed the focus of their interventions based on the National Strategic Plan. For example, some donors reduced their funding for programs related to peace building and conflict resolution and capacity building of local staff, and shifted their focus to the agriculture sector, economic diversity, and women's and youth empowerment. In some cases, when donor-funded projects end, CSOs must return assets and terminate the contracts of various staff.

Few CSOs engage in fundraising, as it is easier to seek funding from institutional donors. CSOs do not receive any support—either financial or in-kind—from the private sector.

Some organizations earn money by selling agriculture or handicraft products. For example, women's horticulture groups such as Feto Ortikultura and Feto Agrikultura grow vegetables and have agreements with supermarkets to sell their products. In addition, some youth and women's groups produce handicrafts that they sell at the market or through exhibitions.

According to an assessment conducted by FONGTIL in 2019, the majority of CSOs have internal financial management systems, which donors require of their partners. While CSOs in urban areas may use specialized financial software, other CSOs—primarily those in rural areas—may rely on simple Excel spreadsheets to track their finances. CSOs regularly submit financial reports to their donors. However, some local CSOs do not undergo internal audits or submit financial reports that are not in compliance with their proposed budgets.

ADVOCACY: 3.2

CSOs in Timor-Leste actively engage in advocacy. CSOs are involved in several government decision-making processes and representatives of some CSO networks participate in high-level meetings in the country. For example, Lao Hamutuk actively promotes transparency of the petroleum fund, while Community of Portuguese Language Countries (Comunidade País da Língua Portuguesa, CPLP), which works on cultural, political, social, and economic issues in Lusophone nations, works directly with the Ministry of Foreign Affairs and Cooperation to strengthen CSO networking among CPLP countries. CSOs engage in discussions with the government regarding the budgets for agriculture, water and sanitation, and education, but are not present when the parliament votes on the budget.

CSOs have formed numerous networks focused on areas such as human rights, peace building, media, legal issues, women, the lesbian, gay, bisexual, transgender, and intersex (LGBTI) population, policy and research, and social movements to engage in advocacy. In 2019, CSOs advocated to the government and national parliament to integrate the women's platform into the government agenda. As a result of these efforts, the Ministry of Social Solidarity was transformed into the Ministry of Social Solidarity and Inclusion in 2019. Other advocacy in 2019 focused on LGBTI issues and ratification of the convention on the rights of people with disabilities; these efforts had not led to any concrete results by the end of the year.

CSOs are compliant with the law governing protests and demonstrations and collaborate with the pertinent institutions when engaging in such actions. In 2019, university students, youth, and CSOs organized demonstrations calling for the approval of the annual budget for 2020 and the Anti-Corruption Law. In addition, demonstrations were organized to oppose efforts to purchase new vehicles for members of the national parliament, despite the fact that they already have vehicles; ultimately, vehicles were only purchased for new members of parliament.

The government views CSOs as partners in community development and therefore involves CSOs in the development of and debates about new laws. The government involved CSOs, including the Land Network, in developing the Land Law, which was passed in June 2017. In 2019, the Land Network educated communities about the law's provisions to reduce the prevalence of land disputes, which are very common in Timor-Leste. CSOs and the government also work together to develop policy papers to include in government plans on topics such as youth in agriculture, LGBTI, people with disabilities, and youth entrepreneurship. In 2019, CSOs worked with the government to develop a paper related to the SDGs.

CSOs did not engage in advocacy related to the legal and regulatory framework for the CSO sector in 2019. However, some CSOs have argued that it is difficult for them to comply with the provisions in the Law on Taxation that require employees earning a monthly salary of more than USD 500 to pay taxes of 10 percent on their salaries, as they are financially dependent on donors, which often do not cover such expenses.

SERVICE PROVISION: 3.6

CSOs provide a variety of services based on their visions and missions, including in the areas of agriculture, forestry, aquaculture, peace building, water and sanitation, tourism, environment, education, capacity building, health, women and youth empowerment, arts and culture, gender and social inclusion, human rights and justice, and research and policy development. In some areas, such as agriculture and tourism, CSOs provide technical assistance to increase communities' or beneficiaries' income. CSOs are not very active in building infrastructure in the country.

Youth centers in Dili provide trainings and technical knowledge on administration, hospitality, food processing, and other relevant skills to young people, people with disabilities, and widows. Religious organizations provide technical skills to young people focusing on machinery, bakery, and sewing. As a result of these initiatives, some young people have been hired to work in supermarkets, workshops, hotels, and as public servants.

Some CSOs conduct baseline assessments before implementing their programs in order to determine community needs and the best interventions to support the community. CSOs working in the same program areas or targeting the same geographic locations or beneficiaries communicate with each other to integrate their programs. CSOs do not discriminate in the selection of their beneficiaries on the basis of race, culture, religion, or gender.

CSOs generally provide their services for free with funding from international donors or the government.

The government—both at the central and local levels—collaborates with CSOs on community development. During 2019, although the political situation was unstable, the government continued to collaborate with CSOs in the implementation of activities at the community level, including seminars and workshops, and participate in such activities. As described above, the Office of the Prime Minister allocates money to CSOs every year to support service provision.

SECTORAL INFRASTRUCTURE: 3.5

CSOs have access to a fairly robust set of support services, including training, networks, and intersectoral partnerships.

Before international donors provide funding to local or national organizations, they generally do organizational capacity assessments and provide training to program, administrative, and finance staff. Some international donors and agencies also provide counterparts to work with local organizations in order to improve local staff capacity. In addition, national NGOs, such as Belun, Yayasan HAK, AcBit, Alola Foundation, and Legal Assistance for Women and Children (Asistensia Legal ba Feto no Labarik, Alfela), provide capacity building to local organizations at the

municipal level. National NGO networks, including those that bring together organizations focused on women's issues, human rights, and peace building and conflict resolution, also offer capacity building in relevant areas to other CSOs, primarily their members, based on their needs.

During 2019, FONGTIL provided capacity building to CSOs and CBOs across the country. For example, it provided project cycle management training to twelve CSOs in Oecusse, fundraising training to more than seventy CSOs around the country, and training on social auditing to eleven CSOs. These capacity buildings are funded by GoTL through the Office of the Prime Minister. Trainings materials for these sessions are available in Tetun.

No local organizations or foundations provide financial resources to CSOs.

CSOs in Timor-Leste have formed numerous networks to help them achieve their goals. The Human Rights Network has nine CSO members that focus on human rights issues in the country and region. The Land Network unites twenty-five CSO members on issues related to land usage. The thirty-one members of Rede Feto work to promote gender equality and women's empowerment through advocacy, networking, and capacity building. Its member organizations include key players delivering services and carrying out advocacy on issues of concern for women, particularly rural women. In addition to networks based in Timor-Leste, CSOs are part of regional networks that focus on issues affecting Timor-Leste as well as the region, including human rights, women's rights, and peace building and conflict resolution. For example, CSOs from Timor-Leste are part of the ASEAN People's Forum (APF) Network, CPLP, and g7+ network.

CSOs form productive partnerships with the government and private sector. For example, the government has partnered with FONGTIL and its members since 2018 to conduct a social audit for four sectors: agriculture, education, health, and infrastructure. In addition, the Office of the Prime Minister worked with FONGTIL to provide capacity building to CSOs and supported FONGTIL in doing an assessment of FONGTIL's members. CSOs focused on the agriculture sector link farmers to supermarkets and input suppliers with support from the Ministry of Agriculture and Fisheries. Youth movements promote tourism in Timor-Leste by helping the government identify opportunities to develop the tourism sector. Women's groups and community groups sign agreements with private sector actors to supply them with inputs and purchase their products.

PUBLIC IMAGE: 3.3

CSOs find it difficult to get media coverage of their activities, as journalists require per diem, transportation, and production fees, and CSOs generally do not have budgets allocated for these expenses. CSOs in rural and remote areas face additional difficulties in getting media coverage, since most media organizations are based in Dili. Media at the municipal level such as community radio stations and certain newspapers also require such charges. However, CSOs and media act jointly on advocacy campaigns through online media, which does not require payment for coverage, and press releases. As media coverage is difficult to obtain, CSOs primarily publicize their activities on Facebook to ensure public access.

The public perception of CSOs—both urban and rural—is largely positive as CSOs work directly with communities. Communities communicate openly with CSOs and inform CSOs of their concerns so they can be relayed to the government and sometimes prefer CSO services to those provided by the government. For example, some farmers prefer to receive training and technical assistance from CSOs' technical staff rather than government-paid extension staff, who often lack the necessary skills and expertise.

The government at both the central and municipal levels also perceives CSOs positively as CSOs' work, including surveys and assessments, helps the government in its efforts to support the community in urban, rural, and remote areas. The business sector generally perceives CSOs as good partners to link with local communities. For example, CSOs link farmers to input suppliers, supermarkets, and banks.

Most CSOs in Timor-Leste have internal control systems, such as manuals addressing personnel, financial, and procurement issues, to help them ensure good governance and transparency, particularly with partners and donors. CSOs produce annual reports and share them with partners and donors. Most CSOs also have codes of ethics to guide their program implementation.

<p>Disclaimer: <i>The opinions expressed herein are those of the panelists and other project researchers and do not necessarily reflect the views of USAID or FHI 360.</i></p>

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