



Integrated Country Strategy

Timor-Leste

FOR PUBLIC RELEASE

Table of Contents

1. Chief of Mission Priorities 2

2. Mission Strategic Framework 4

3. Mission Goals and Objectives 6

4. Management Objectives..... 11

1. Chief of Mission Priorities

Timor-Leste achieved its independence in 1999 after 24 years of brutal Indonesian occupation and a nearly 500-year colonial history with Portugal. Despite an early rocky road to self-determination, Timor-Leste's success is remarkable by all standards in its transition to a peaceful, democratic nation. Freedom House and The Economist recently cited Timor-Leste as Southeast Asia's most successful democracy. The country recently emerged from three sets of peaceful, transparent and well-run elections in one year to move out of a political impasse that prevented a majority government and passage of a state budget. Timor-Leste's May 12 early Parliamentary elections, the first in its history, demonstrated the maturity of this democracy despite persistent challenges. Both the President and the Secretary praised Timor-Leste for its peaceful, fair and transparent elections.

Timor-Leste has embraced an ambitious but aspirational development agenda using revenues from offshore oil and gas to create infrastructure and upgrade human capital. Major challenges to long-term stability remain: diversifying the economy away from dependence on dwindling oil and gas revenues, strengthening the justice and security sector and democratic institutions, tackling some of the worst development statistics in Asia, diversifying the economy, and creating jobs for its overwhelmingly youthful population. Proud of its role as a post-conflict democracy, Timor-Leste has taken a leadership role in the G7+ group of post-conflict and fragile states. As it aims to join Southeast Asian regional bodies such as ASEAN, it embraces its role in the Community of Portuguese Language Countries as a means to link Timor-Leste with wider global organizations. In the UN, Timor-Leste votes with the United States at least 77 percent of the time.

The Mission, like the country, is focused on investment in infrastructure and strengthening staff capacity to enable effective U.S. engagement in this country. The embassy office building, built as an interim facility when the Mission opened in 2002, is completely inadequate to provide security and functional workspace for Mission staff. The Government of Timor-Leste has authorized construction of a new office building on the current compound and we will continue to negotiate a detailed agreement with the incoming government. In the meantime, the Mission is working to expand professional training and development opportunities for local staff.

Above all, the mission is dedicated to the safety and security of official and unofficial U.S. citizens. The implementation of full American citizen services provided our mission the resources and technology to, for the first time, directly provide routine and emergency services to resident Americans. We will continue to strengthen our capacity to provide these services while identifying and mitigating security vulnerabilities for U.S. interests in Timor-Leste.

The Mission realizes that one of the most critical risks to the achievement of the ICS objectives is the Government of Timor-Leste's ability to prioritize and implement their own strategies. We will continue to build on our strong bilateral engagement to address challenges, while

FOR PUBLIC RELEASE

encouraging Timor-Leste to take more of a lead role in certain aspects of its own development and that of the region. Furthermore, Mission leadership will continually review the ICS and work to ensure that all mission elements understand how it guides the overall purpose of their work in Timor-Leste.

FOR PUBLIC RELEASE

Approved: August 15, 2018

2. Mission Strategic Framework

Mission Goal 1: Timor-Leste views the United States as its partner of choice in support of regional security and rules-based engagement in the Indo-Pacific.

Mission Objective 1.1: Timor-Leste strengthens its bilateral and multilateral participation in diplomatic, defense, and development initiatives.

Mission Objective 1.2: Timor-Leste integrates more fully into the EAP regional architecture through increased engagement in the ASEAN Regional Forum and engagement with ASEAN partners in pursuit of ASEAN accession.

Mission Objective 1.3: Public perceptions of the United States are positive, and public understanding of U.S. assistance programs, bilateral ties, and key U.S. foreign policy interests improves.

Mission Goal 2: Timor-Leste becomes a strong U.S. partner by strengthening its democratic institutions and political processes.

Mission Objective 2.1: Timor-Leste's justice sector actors deliver equitable and transparent justice for all.

Mission Objective 2.2: Timor-Leste enhances the professionalism, capabilities, and interoperability of the military and police, and more clearly defines their roles.

Mission Objective 2.3: Timor-Leste further strengthens and fully supports a vibrant civil society, a free media, and increased civic engagement.

Mission Goal 3: Timor-Leste enjoys inclusive economic development and widens opportunities for U.S. economic engagement.

Mission Objective 3.1: Timor-Leste improves its investment climate and expands international economic links through implementation of key reforms and broadened commercial ties.

Mission Objective 3.2: Expand educational and economic opportunities for Timor-Leste's youth in order to increase employment, foster entrepreneurship, and improve human capacity.

Mission Objective 3.3: Timorese women enjoy greater security, economic opportunity, and political influence.

Mission Goal 4: Timor-Leste enjoys inclusive and peaceful development.

Mission Objective 4.1 (USAID CDCS DO): Institutional and human capacity for development strengthened to improve the lives of Timor-Leste's citizens.

Management Objective 1: The Consular Section is prepared to provide the full range of routine and emergency American Citizen Services and is prepared to assist U.S. citizens in the event of a crisis.

Management Objective 2: The Management Platform expands its capabilities to provide the full range of enabling services by improving the quality, efficiency, and professionalism of support to resident agencies and visitors.

3. Mission Goals and Objectives

Mission Goal 1: Timor-Leste views the United States as its partner of choice in support of regional security and rules-based engagement in the Indo-Pacific.

Description and Linkages: The National Security Strategy, the Joint Regional Strategy, and other high-level strategies clearly emphasize the value of working with allies, partners, and regional institutions to protect and advance rules-based order in the region. Goal 1 of the ICS helps the Mission to advance the key aspects of the Indo-Pacific Strategy and ensure that activities in Timor-Leste are in line with U.S. goals in the region.

Mission Objective 1.1: Timor-Leste strengthens its bilateral and multilateral participation in diplomatic, defense, and development initiatives.

Justification: The United States values reliable partners who are committed to substantive cooperation to enhance regional stability in the Asia-Pacific region. As a vocal advocate for democracy, human rights, and rule of law, Timor-Leste is a natural partner in these engagements. Collaborating to address shared security concerns throughout the region, the United States and its partners will continue to champion democracy, human rights and the rule of law through multilateral and regional forums.

Mission Objective 1.2: Timor-Leste integrates more fully into the EAP regional architecture through increased engagement in the ASEAN Regional Forum and engagement with ASEAN partners in pursuit of ASEAN accession.

Justification: Support for the EAP regional architecture is a key objective of the United States in the Asia-Pacific region. Timor-Leste's ongoing pursuit of ASEAN accession and interest in hosting and co-sponsoring regional initiatives, as well as its leadership in multilateral fora on issues of fragility, stability, democracy, and human rights, both amplify its voice and increase opportunities for it to play a key role in the EAP regional architecture.

Mission Objective 1.3: Public perceptions of the United States are positive, and public understanding of U.S. assistance programs, bilateral ties, and key U.S. foreign policy interests improves.

Justification: Mission Dili seeks to capitalize on growing pro-American sentiment among the country's youth to firmly entrench positive attitudes toward the United States, publicize the U.S. commitment to support Timor-Leste's development, build support for U.S. leadership and a strategic partnership with the U.S. on key global and regional initiatives, and increase goodwill towards the United States through stronger people-to-people ties.

The vast majority of Timorese are young, poorly educated, and focused on day-to-day survival; they have had little or no exposure to the United States. While Indonesia's cultural and

linguistic influence is slowly waning, Portuguese and especially English are on the ascendance. The old elite are intimately connected to the Portuguese language and give importance to the country's ties of history and solidarity with Portuguese-speaking countries, but English is seen as the primary aspirational language among the youth given its global popularity and the country's looming ASEAN accession.

Mission Goal 2: Timor-Leste becomes a strong U.S. partner by strengthening its democratic institutions and political processes.

Description and Linkages: The Mission's focus on strengthening the justice sector, professionalizing the police and military, and building the capacity of civil society supports Goal 5 of the EAP Joint Regional Strategy to assist governments in the region to adopt and promote strong governance practices and democratic institutions that are resilient, transparent, accountable, and responsive to their people and safeguard democratic values across the region. The development and strengthening of democratic institutions in Timor-Leste further operationalizes the concept of a free and open Indo-Pacific where citizens enjoy improved governance and liberty.

Mission Objective 2.1: Timor-Leste's justice sector actors deliver equitable and transparent justice for all.

Justification: Justice sector capacity is extremely low, and the sector continues to rebound from the 2014 Parliamentary decision to eject all international justice sector actors. While the initial significant backlog of cases has decreased, justice sector observers and actors remained concerned about human capacity and about the potential for political interference in the justice system. In a report published in October 2016, the Ministry of Justice described "widespread" and "endemic" corruption in government departments, public administration, and other bodies. The report particularly identified the ministries of finance, health, education, and interior, including the national police, as having high-level corruption related to acquisition and public works, while low-level bribery was more pervasive. Corruption makes the country vulnerable to transnational criminal elements, while the public mistrust associated with widespread corruption leads citizens to seek alternate solutions to their problems and may increase instability in the post-conflict country. Comprehensive anti-corruption legislation is pending in the National Parliament, but its adoption is uncertain, and the Anti-Corruption Commission (CAC) is widely viewed as toothless because of this.

Mission Objective 2.2: Timor-Leste enhances the professionalism, capabilities, and interoperability of the military and police, and more clearly defines their roles.

Justification: To enhance Timor-Leste defense force capability to contribute to rules-based regional and global defense engagements, the United States seeks to develop Timor-Leste's professional defense force through improvement in maritime security (MARSEC) and humanitarian assistance/disaster response (HA/DR) capacities. Enhanced MARSEC and HA/DR

capacities in the Timor-Leste defense forces support increased stability of Timor-Leste and the region. The United States will support training and initiatives that assist the Timorese government to define and differentiate the security roles of the defense forces and law enforcement.

Mission Objective 2.3: Timor-Leste further strengthens and fully supports a vibrant civil society, a free media, and increased civic engagement.

Justification: The term “civil society” is used to denote organized groups such as non-governmental organizations (NGOs), women’s groups, youth organizations, media groups, special interest associations, religious communities, and other organizations found in Timor-Leste which bring together individuals on issues of common concern. Mission activities that build the skills of civil society help citizens to better engage in policy development and develop solutions to address the country’s many challenges.

Mission Goal 3: Timor-Leste enjoys inclusive economic development and widens opportunities for U.S. economic engagement.

Description and Linkages: In the context of the National Security Strategy, Timor-Leste is an “aspiring partner” – fragile, recovering from conflict, and seeking a path forward to sustainable security and economic growth. Our efforts to promote stability and prosperity in Timor-Leste enhances U.S. security and increases U.S. economic opportunities. Mission Goal 3 further supports the EAP JRS Goal 3 to promote sustained and inclusive growth and prosperity by encouraging economic connectivity, diversification away from oil and gas, improvements in the investment climate, and expanding educational and vocational training opportunities to unlock entrepreneurship potential and spur the creation of jobs for a large youth population.

Mission Objective 3.1: Timor-Leste improves its investment climate and expands international economic links through implementation of key reforms and broadened commercial ties.

Justification: Timor-Leste is undertaking reforms in four pillars – economic, fiscal, legal and public administration. Successful economic and fiscal reforms will help the country transition from its heavy dependence on oil and will both encourage additional investment and allow the government to collect revenue from diverse sources. The appropriate adoption and implementation of these reforms will also improve the ease of doing business here and encourage additional interest from U.S. businesses.

Mission Objective 3.2: Expand educational and economic opportunities for Timor-Leste’s youth in order to increase employment, foster entrepreneurship, and improve human capacity.

Justification: Approximately 60 percent of Timor-Leste’s population is under the age of 25 and overall unemployment rates are at 11 percent, while around 70 percent of the population is not part of the formal labor sector. With an educational system facing significant human and

financial resource constraints and low rates of literacy, the country must address the lack of opportunity and capacity for its young population, or it will face tensions resulting from increasing socioeconomic inequality.

Mission Objective 3.3: Timorese women enjoy greater security, economic opportunity, and political influence.

Justification: In 2016, the Asia Foundation released a groundbreaking study on violence against women and children in Timor-Leste. The study found that 59 percent of women had experienced physical or sexual violence by an intimate partner in their lifetime, while 47 percent had experienced physical or sexual violence by an intimate partner in the previous 12 months. Anecdotally, female entrepreneurs cite gendered limitations on their success in business, including restricted educational opportunities, smaller networks, lack of access to financing, and a patriarchal culture, among other restrictions. With 22 female Members of Parliament, and a voter turnout rate of around 80 percent, women should be well represented in the Parliament and the halls of government; however, women are generally accorded less influential roles within political parties and rarely lead key ministries. By directly addressing women in our ICS, we acknowledge the reality of the Timorese context and propose trainings, small grants, exchanges, and other activities to address the disparity between equality under the law and true equity for women in Timorese society.

Mission Goal 4: Timor-Leste enjoys inclusive and peaceful development.

Description and Linkages: As a new country, Timor-Leste presents a prime opportunity to strengthen partnership in the Indo-Pacific and support the growth of a democratic trade partner. In support of the National Security Pillars 1-4 and JSP Goals 1-3, the Mission prioritizes support for the development of Timor-Leste in order to advance regional engagement and prepare the country to eliminate its need for foreign assistance in the future. The ability to meet this objective is dependent on the host country's capacity to form and maintain a citizen responsive government and implement plans to diversify its economy. There are risks related to the need for coalitions in a multiparty political system that make it harder to build consensus and pass economic reforms, and the aging of main political figures. Also, if USG support wanes, influence from less democratic actors who do not require promotion of rule of law, could lead to further political decline.

Mission Objective 4.1 (USAID CDCS DO): Institutional and human capacity for development strengthened to improve the lives of Timor-Leste's citizens.

Justification: Recent USG analysis and studies identified that Timor-Leste faces significant development challenges in human capacity development, public financial management and creating business enabling environment. The country has the highest under five child mortality and malnutrition rates in Southeast Asia. As a new democracy, the government lacks the

FOR PUBLIC RELEASE

capacity to implement the country's Strategic Development Plan, and efficiently and effectively deliver public services.

FOR PUBLIC RELEASE

Approved: August 15, 2018

4. Management Objectives

Management Objective 1: The Consular Section is prepared to provide the full range of routine and emergency American Citizen Services and is prepared to assist U.S. citizens in the event of a crisis.

Justification: In 2016, Post secured permission from the Consular Affairs bureau to provide full consular services to U.S. citizens. Workload – and Post’s capacity to meet the demands of the U.S. citizen community – continues to increase, and Post will continue to strengthen its capacity for crisis response.

Management Objective 2: The Management Platform expands its capabilities to provide the full range of enabling services by improving the quality, efficiency, and professionalism of support to resident agencies and visitors.

Justification: The Management platform should continue to expand its staffing and capabilities to provide the full range of administrative support options for serviced agencies. Fifteen years after the opening of this mission, the chancery operates out of the interim office building that was intended to last five years. Post continues to engage the GOTL to secure a long-term lease extension that will enable the construction of new facilities on our existing compound. A new chancery will ensure that all mission elements work in safe, secure facilities that meet mission requirements and could accommodate a fully operational consular section.