



## **DEMOCRATIC REPUBLIC OF EAST TIMOR**

### **GOVERNMENT**

## **Establishing the fund for employment and vocational training**

### **EPTF**

#### **Decree-Law No.29/2008**

Given the need to implement active policies for creating employment and for the professional training of the workforce in East Timor, the Government, with the intention of initiating activities to stimulate employment, supported by its development partners, in this case by the International Labor Organization, ILO, has decided upon the creation of the Employment and Professional Training Fund, referred to herein as the EPTF.

The Fund has as its main purpose to implement programs for training and encouraging the hiring of the Timorese workforce, on both the national and international levels. During the initial phase, the EPTF programs will be implemented gradually and will be aimed at the needs of the local market.

In this way, it is expected that new opportunities will be created for the Timorese workforce, with a substantial improvement in employability.

Thus, considering the constitutional determinations set out in Articles 17, 50, and 115, letter “o”, as well as Article 16 of Decree-Law No. 7/2007, the Government decrees the following, to take effect as law:



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## **CHAPTER I GENERAL PROVISIONS**

### **ARTICLE 1 ESTABLISHMENT AND PURPOSE**

The Employment and Professional Training Fund (EPTF) is hereby created and has as its purpose to promote and implement programs to promote employment and professional training.

### **ARTICLE 2 PURPOSE**

The EPTF, through direct financing or the granting of subsidies, has as its purpose to promote employment and the development of work skills for the Timorese labor force.

### **ARTICLE 3 Oversight**

The EPTF is accountable to the member of Government responsible for Professional Training and Employment, whose duties are the following:

- a) To approve EPTF policy, as proposed by its Administrative Board;
- b) To approve the annual budget;
- c) To approve the financial report presented by the Administrative Board;
- d) To approve the rules for implementing EPTF programs;
- e) To appoint and dismiss members of the Administrative Board and the Head of Secretariat.



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### **ARTICLE 4**

#### **GENERAL PRINCIPLES**

The EPTF shall be managed and administered in keeping with the principles of lawfulness, transparency, efficiency, purpose, and the supremacy of the public interest.

### **CHAPTER II**

#### **BODY RESPONSIBLE FOR MANAGEMENT AND ADMINISTRATION**

### **ARTICLE 5**

#### **BODY RESPONSIBLE FOR MANAGEMENT AND ADMINISTRATION**

The Administrative Board is the body responsible for the management and administration of the EPTF.

### **ARTICLE 6**

#### **THE ADMINISTRATIVE BOARD**

1. The Administrative Board is composed of:
  - a) Two representatives appointed by the member of Government responsible for the area of Employment and Professional Training, one of them being the President;
  - b) A representative of the Finance Ministry, holding the office of Vice President;
  - c) One member representing the employer organizations; and
  - d) One member representing the Unions.
  
2. The members of the Administrative Board are appointed by the member of Government responsible for the area of Professional Training and Employment for a term of office of two years, which is renewable.



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3. The organizations involved must observe gender balance in appointing the members of the Administrative Board, pursuant to the Constitution.

### **ARTICLE 7**

#### **DUTIES OF THE ADMINISTRATIVE BOARD**

1. The following are the duties of the Administrative Board:
  - a) To manage and administer the fund;
  - b) To submit the rules for implementing each EPTF program for the approval of the Oversight authority;
  - c) To analyze and decide upon proposals for granting or reviewing benefits provided under the programs;
  - d) To create technical units for the prior evaluation of the proposals submitted to the EPTF;
  - e) To enter into partnerships aimed at expanding the EPTF programs;
  - f) To approve quarterly and annual reports; and
  - g) Other duties that may be assigned to it.
  
2. The functioning of the Administrative Board shall be governed by Articles 21 through 30 of Decree-Law No. 12/2006.

### **ARTICLE 8**

#### **THE SECRETARIAT**

1. In performing its functions, the Administrative Board is supported by its Secretariat, managed by a Head of Secretariat, having the following functions:
  - a) To prepare the meetings of the Administrative Board;
  - b) To draw up minutes of the Administrative Board meetings;
  - c) To prepare quarterly and annual reports on the implementation of each EPTF program;and



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- d) Other duties that may be assigned to it.
- 2. The Secretariat employees shall be recruited from among civil service employees.
- 3. The Head of Secretariat is equivalent, for all intents and purposes, to a Department Head.

### **ARTICLE 9**

#### **RULES FOR OPERATING THE FUND**

- 1. No amounts may be paid for the financing of the Programs provided for in Article 11 without the approval of the Administrative Board, and it is prohibited to make disbursements for any activity that is not set out in that Article.
- 2. For the disbursement of the amounts referred to in the previous item, two signatures are required of members of the Administrative Board, and it is mandatory that one of them be the President.
- 3. The EPTF has an account earmarked for the programs referred to in Article 12, where the funds referred to in Article 11 hereof will be credited.

### **ARTICLE 10**

#### **AUDITS**

The EPTF will be audited, semi-annually, by a public audit authority designated by the Finance Ministry, and it is subject to the rules of public management and administration.

### **CHAPTER IV**

#### **REVENUES**



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### **ARTICLE 11**

#### **REVENUES**

1. The following are revenues of the EPTF:
  - a) Funds provided for in the National Budget;
  - b) Endowments, bequests or other gifts allocated to it;
  - c) Employee contributions;
  - d) Employer contributions.
  
2. The contributions provided for in letters “c” and “d” of the previous item are defined in accordance with each program and may not exceed:
  - a) In the case of letter “c”, one percent (1%) of the salary received by the worker who benefits from EPTF programs.
  - b) In the case of letter “d”, two percent (2%) of the salary amount paid to a worker who has benefited from EPTF programs.

### **CHAPTER III**

#### **PROGRAMS FOR PROMOTING EMPLOYMENT AND PROFESSIONAL TRAINING**

### **ARTICLE 12**

#### **PROGRAMS FINANCED BY THE EPTF**

1. The EPTF finances the following programs:
  - a) Professional Training, Improvement and Rehabilitation Program – TIRPRO;
  - b) Intensive Labor Use Program – ILUPRO;
  - c) Employment Incentive Program – EIPRO;
  - d) Micro-Credit Program – MICREDPRO.



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2. Regulations for each of the programs referred to in the previous item are approved by a ministerial document issued by the Oversight authority.

### **ARTICLE 13**

#### **PROFESSIONAL TRAINING, IMPROVEMENT AND REHABILITATION PROGRAM – TIRPRO**

The TIRPRO is aimed at unemployed Timorese citizens and workers, with the aim of promoting employment and occupational training of the workforce, respectively.

### **ARTICLE 14**

#### **INTENSIVE LABOR USE PROGRAM – ILUPRO**

The ILUPRO is aimed at the creation of short-term employment, with the purpose of promoting integration into the job market of the unskilled unemployed and the long-term unemployed.

### **ARTICLE 15**

#### **EMPLOYMENT INCENTIVE PROGRAM – EIPRO**

The EBPRO is aimed at groups experiencing greater difficulties with socio-economic integration, namely those who are physically or mentally challenged or young people seeking their first jobs, with the purpose of stimulating access to the job market.

### **ARTICLE 16**

#### **MICRO-CREDIT PROGRAM – MICREDPRO**

The MICREDPRO is aimed at all Timorese citizens and has as its purpose to make micro-financing available for the establishment of small businesses or micro-companies.



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### **ARTICLE 17**

#### **PROGRAM ELIGIBILITY**

1. The rules on eligibility for any one of the programs provided for in this Chapter are contained in the respective regulations to be approved pursuant to Article 12, number 2.
2. The rules on eligibility may be reviewed, adjusted, or modified based on the dynamics of the job market and the need to promote employment and professional training in East Timor.

### **CHAPTER V**

#### **FINAL AND TEMPORARY PROVISIONS**

### **ARTICLE 18**

#### **NON-DISCRIMINATION**

1. In the implementation of the employment and professional training programs, no one shall be discriminated against based on color, race, marital status, gender, ethnic origin, language, social or economic status, political or ideological convictions, religion, or physical or mental condition.
2. The physically or mentally challenged shall enjoy special incentives and benefits in order to participate in EPTF programs, with the aim of developing their abilities and participation in the job market.
3. Rules that aim to promote employment or professional training and that benefit certain at-risk groups in society are not considered to be discriminatory.





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### **ARTICLE 19 REGULATIONS**

The Administrative Board must prepare and submit the respective regulations for the EPTF programs for the approval of the Oversight authority within ninety days of the date of its first working meeting.

### **ARTICLE 20 REVOCATION**

All provisions that are contrary to those contained in this Decree-Law are hereby revoked.

### **ARTICLE 21 EFFECTIVE DATE**

This Decree-Law takes effect fifteen days after the date of its publication.

Approved at a Cabinet Meeting held on \_\_\_\_\_, 2008.

**The Prime Minister**

Kay Rala Xanana Gusmão



## DEMOCRATIC REPUBLIC OF EAST TIMOR

For publication.

**The President of the Republic**

José Ramos Horta