

THE STATISTICAL WORK PLAN FOR TIMOR-LESTE, 2010 - 2019¹

National Statistics Directorate

Ministry of Finance

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¹ Based on a Report prepared by Cecil Ipalawatte, Statistics Management Adviser, Ministry of Finance, March 2009.

Contents

LIST OF ACRONYMS	3
FOREWORD	4
EXECUTIVE SUMMARY	5
BACKGROUND.....	5
WHAT IS THE SWP?	5
LEGAL FRAMEWORK FOR THE SWP	6
ASSESSMENT OF USER NEEDS.....	6
BUILDING CAPACITY	7
DATA DEVELOPMENT	7
INVESTMENT IN HUMAN RESOURCES.....	8
INVESTMENT IN PHYSICAL RESOURCES.....	8
FINANCING STATISTICS PROGRAMS	8
SUSTAINABILITY AND RISKS	9
MONITORING AND EVALUATION	10
GOING FORWARD.....	10
KEY RECOMMENDATIONS.....	11
STATISTICS GATHERING IN TIMOR-LESTE	13
HISTORY	13
ECONOMY	13
EVOLUTION OF THE STATISTICAL SYSTEM.....	14
CURRENT STATE OF THE STATISTICAL SYSTEM.....	14
INADEQUACIES OF THE CURRENT SYSTEM	16
CONTRIBUTORS TO THE NATIONAL STATISTICAL SYSTEM	17
MONETARY STATISTICS AND BALANCE OF PAYMENTS DATA.....	17
GOVERNMENT FINANCE STATISTICS	18
THE STRATEGIC PLAN	19
DOMESTIC NECESSITY	19
INTERNATIONAL COMPARISON	20
INFORMATION DIVERSITY	20
THE SWP PROCESS	21
ALLOCATION OF RESPONSIBILITIES WITHIN DNE	24
DATA DEVELOPMENT	26
KEY STATISTICAL OUTPUTS.....	29
DISSEMINATION OF STATISTICAL PRODUCTS.....	30
INVESTMENT IN HUMAN RESOURCES.....	30
INVESTMENT IN PHYSICAL RESOURCES.....	32
TIME LINE FOR IMPLEMENTATION OF CAPACITY BUILDING	32
IMPLEMENTATION PLAN	33
APPROACHES TO FUNDING THE SWP	33
IMPLEMENTATION TIME TABLE	35

SEQUENCING OF ACTIVITIES AND IMPLEMENTATION RESPONSIBILITIES 37

SUSTAINABILITY OF THE PROPOSED PLAN 38

MONITORING AND EVALUATION 38

ANNEXES 40

ANNEX I: TERMS OF REFERENCE FOR A SHORT-TERM INTERNATIONAL CONSULTANT:..... 40

ANNEX II: LIST OF PERSONS MET 41

ANNEX III: ASSESSMENT OF USER NEEDS 42

ANNEX IV: DEVELOPMENT GOALS IN NATIONAL DEVELOPMENT PLAN – TIMOR-LESTE..... 43

ANNEX V: THE UNITED NATIONS - FUNDAMENTAL PRINCIPLES OF OFFICIAL STATISTICS..... 45

ANNEX VI: DUTIES OF THE DIRECTOR - DNE 47

ANNEX VII: DUTIES OF THE STATISTICS ADVISORY BOARD..... 48

ANNEX VIII: SUGGESTED FORMAT FOR A CORPORATE PLAN 2010-2013 , DNE..... 49

ANNEX IX: SECTIONS OF STATISTICAL LAW 52

ANNEX X: KEY STATISTICAL OUTPUTS 57

ANNEX XI: IMMEDIATE ACTION PLAN FOR NEXT TWO YEARS 58

ANNEX XII: HUMAN RESOURCES DEVELOPMENT PLAN 59

ANNEX XIV: BUSINESS ACTIVITY SURVEY 63

ANNEX XV: A SYSTEM FOR COLLECTION OF VILLAGE/SUB-DISTRICT STATISTICS 70

ANNEX XVI: ADVISER’S ASSESSMENT OF THE CURRENT STATISTICS SYSTEM IN TIMOR-LESTE 72

List of Acronyms

ABS	Australian Bureau of Statistics
ADB	Asian Development Bank
ASYCUDA	Automated System for Customs Procedure
BOP	Balance of Payments
BPA	Bank and Payment Authority
CPI	Consumer Price Index
DHS	Demographic Health Survey
DNE	Direcção Nacional de Estatística
GDP	Gross Domestic Product
GFS	Government Finance Statistics
GoTL	Government of Timor-Leste
HIES	Household Income and Expenditure Survey
IMF	International Monetary Fund
IT	Information Technology
MDGs	Millennium Development Goals
MICS	Multiple Indicator Cluster Survey
PARIS21	Partnership in Statistics Development in the 21 st Century
PFMCB	Public Finance Management Capacity Building
QSI	Quarterly Statistical Indicators
SNA	System of National Accounts
SNZ	Statistics New Zealand
SWP	Statistical Work Plan
TA	Technical Assistance
TLCLS	Timor-Leste Standard of Living Survey
UN	United Nations UNDP United Nations Development Program
UNICEF	United Nations Children Fund
UNFPA	United Nations Fund for Population Activities
UNTAET	United Nations Transitional Authority in East Timor

Foreword

The Statistical Work Plan (SWP) presented here is based on a report prepared by Cecil Ipalawatte, Statistics Management Adviser, at the request of the Ministry of Finance of the Government of Timor-Leste. It was formally adopted by the Ministry of Finance in 2009. While there have been considerable developments since 2009, the directions established in the Statistical work Plan still apply and it is being widely disseminated for the attention of all parties interested in the development of the national statistical system in Timor-Leste.

Knowing user needs is important for the SWP. The needs assessment comprised document reviews and extensive consultation with a number of government officials within the Direcção Nacional de Estatística, the Ministry of Finance, Bank and Payment Authority and other line ministries. In addition, a number of donor agencies that support various statistical initiatives in the DNE provided their views as well. A list of these is in Annex II.

The SWP provides the context within which more detailed, short to medium term work plans are prepared. We are striving to build a cost-effective national statistical system to provide the statistics essential for informed decision-making and the effective functioning of our democratic society.

Antonio Freitas
Director General of Policy,
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Director
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Executive Summary

Background

Measured by internationally accepted income and other human development goals Timor-Leste is one of the world's poorest countries². With an economy of about \$330 million³ and a per capita GDP (non-oil) of about \$360, Timor-Leste shares the characteristics of other poor countries. The agricultural sector employs the majority of the labour force⁴, but generates relatively little income due to low productivity⁵.

The primary economic policy challenge the country faces is how best to use oil-and-gas wealth to lift the non-oil economy onto a higher growth path and reduce poverty⁶. In order to achieve sustainable growth and poverty reduction and to monitor success of its programs the government needs reliable, comprehensive and timely data.

The overall range, quality and timeliness of official statistics in Timor-Leste fall well short of what is required for effective analysis and policy formulation, and the gap is widening between the demand for official statistics and the supply of those statistics (See Annex XVI).

While the World Bank, the International Monetary Fund (IMF) and other donors have invested in statistical development activities for many years in Timor-Leste, much of this investment has been piecemeal, uncoordinated and short-term, often as a component of another program⁷. It has tended to focus more on meeting immediate demands of key users, rather than sustainable capacity-building⁸.

In order to build a sustainable national statistical system, the government of Timor-Leste, with the assistance of the World Bank and other donors, initiated a project to develop a Statistical Work Plan (SWP).

What is the SWP?

The Statistical Work Plan is an approach to capacity-building to cover the

² UNDP, *Human Development Report 2006: Beyond scarcity, power, poverty and the global water crisis*. (New York: 2006)

³ Data supplied by the DNE, Dili.

⁴ At least 78 per cent of the labour force is employed in subsistence agriculture. *Census of Population and Housing (Dili: 2004)*.

⁵ According to DNE statistics, the agriculture sector contributed around 25 per cent to GDP in 2003.

⁶ IMF, *Consultation for Timor-Leste*, Article IV (2008).

⁷ There are concerns that an uncoordinated and mostly donor-driven approach to data collection may not provide the greatest benefit for Timor-Leste.

⁸ The Government priorities and individual donor priorities are not always harmonized: in some areas donors duplicate or overlap each other, while some government priorities are not priorities for donors.

whole statistical system, encompassing data gathering, analysis and use⁹. The SWP recognizes the need for a 'critical mass'¹⁰ in order that it be effective – and this applies to the level of resources within the Direcção Nacional de Estatística (DNE) as well as to other resources available from the government of Timor-Leste and international agencies that are providing training and technical assistance to staff. The SWP communicates the primary objectives and *raison d'être* for creating a national statistical system for the country.

Legal framework for the SWP

A fundamental requirement for the SWP is an appropriate legal framework (Annex IX). The legal authority under which the DNE operates should be governed by law and this law should explain the duties and responsibilities of the head of the DNE and the staff while collecting data through means of censuses and surveys.

The mission of the national statistical system and a core work program also need to be specified in statistics legislation. The mission statement should focus on the compilation, evaluation, analysis, and dissemination of national statistical information.

Legislation should specify the DNE's role as the coordinator of statistical activities, setting standards and acting as a clearinghouse for data collected by other agencies, particularly in supporting the line ministries and other agencies in building up the required statistical competence.

Assessment of user needs

Knowing the statistics needs of users is important for the development of the SWP¹¹. The needs assessment for Timor-Leste comprised reviews of government policy documents and plans, and discussions with a number of government officials and representatives of donor agencies. Some priorities have had to be set¹², based on the most urgent needs including, but not limited to, the need for monitoring government development programs, Millennium Development Goals (MDGs), and poverty reduction strategies.

⁹ The approach adopted in this study closely follows the methodology used jointly by the World Bank, IMF, ADB and Paris21 in designing SWPs for other developing countries.

¹⁰ In this context 'mass' is a composite of both the quantity and quality of available resources.

¹¹ A questionnaire was emailed to a number of statistical users to find out what they perceive as gaps in the range of statistical products currently available (Annex III).

¹² Sometimes users exaggerate their real needs; what the national statistics office can deliver depends on the level of resources given to it.

Building capacity

The SWP communicates the primary objectives of creating the national statistical system for the country. These objectives are (a) to optimize the effectiveness of resources available to the DNE and other producers of statistics and to avoid duplication; (b) to collect, compile and analyze statistics for policy purposes; and (c) to develop consistent estimates from a variety of statistical and administrative sources in accordance with a pre-specified conceptual framework.

In order to achieve the above objective there is a need to develop the professional capacity of the DNE. As the coordination and monitoring body of the Timor-Leste's official statistical system, on national and local levels, the DNE needs a critical mass of statistical professionals to perform its duties. Extensive training in management issues and statistical methods according to the human resource development plan proposed in the SWP has to be implemented.

Data development

Data development represents the most important and challenging activity to be taken up in the SWP. The proposed data collection program utilizes the UN System of National Accounts (SNA), which offers a broad framework for organizing the range of economic statistics, and the MDG framework for the compilation of social statistics.

Implementation of the core statistical work program demands conducting a series of regular annual surveys such as the Business Activity Survey and the Agriculture Production Survey, in addition to collecting statistics on retail, wholesale and producers' prices, balance of payments, government finance and external trade for the preparation of national accounts and deriving other economic development indicators.

There is also need for periodic large-scale data collection systems such as the Census of Population and Housing, Households Income and Expenditure Survey, Demographic and Health Survey, Labour Force Survey, and Standard of Living Survey, together with the collection of regular administrative data such as for tourism, education, health, and vital registration statistics maintained by the line ministries.

In order to reduce the data collection burden on both the DNE and respondents, it is recommended that sample surveys and administrative data records be used as much as possible. Staff in those line ministries that have small statistical cells to collect, maintain and process statistical information should be given adequate statistical training and necessary IT support to improve data collection and tabulation.

Investment in human resources

Staff are the most important single factor for productivity in the DNE; therefore, investment in human resources is critically important and should be the main priority of management. The prioritized work plan suggested in the SWP addresses the urgent need for specialized skills in areas such as sampling, IT, and statistical analysis. A basic statistical course, designed by an international consultant, should be conducted for all statistical staff in the DNE and in the line ministries. Training in application of modern information technology should be provided to staff involved in data collection, processing, and dissemination of the Business Activity Survey.

It is important to hire an international consultant as an institutional development manager who will assist the Director to implement a staff training and development program.

Investment in physical resources

Upgrading IT capacity is a major component of the SWP. An IT consultant should be hired to review, identify, and establish hardware/software requirements for the design and implementation of a database for the Business Activity Survey, the Agricultural Production Survey and the Labour Force Survey. He or she should also provide on-the-job training for staff, and be expected to design and develop a system for meta-data storage and management, including electronic data interchange (EDI) technology for sharing data with line ministries.

The value of statistical data will only be realized fully if they are made available to users in a manner that facilitates further value-added use. The DNE must improve its world-wide-web dissemination process further, allowing users to download trade, CPI and production data series to their own computers. In addition, confidentialised micro data from the recent census and Timor-Leste Standard of Living Survey (TLSLS) should be lodged with DNE data archive where these are available for users.

Financing statistics programs

The estimated costs of implementation of the SWP (Table 1) have been calculated using costs incurred on similar projects and prevailing travel and per diem rates for international consultants. Equipment costs refer mainly to computers and printers.

The government portion of the recurrent cost of implementing the core work program (about \$500,000 per year) includes what is already budgeted in its forward work program.

Table 1: Estimated cost of support for capacity building

Estimated cost support for SWP (2010-2019)

In constant 2009 US \$

	Technical assistance	Travel and expenses	NDE staff	Materials	Equipment	Total
Maintaining existing statistical activities	0	0	1,546,134	1,316,000	0	2,862,134
Statistical legislation revision	39,600	4,000	0	0	0	43,600
Capacity building (DNE management)	291,400	16,000	0	0	0	307,400
National Accounts capacity building	291,400	16,000	0	0	0	307,400
National Accounts overseas training*	50,000	0	0	0	0	50,000
Basic statistical skills course**	77,600	4,000	0	2,000	0	83,600
Business Activity Survey	64,800	8,000	0	8,000	2,000	82,800
Agricultural Production Survey	64,800	8,000	0	8,000	2,000	82,800
CPI re-base	64,800	8,000	0	0	0	72,800
Price statistics WPI, PPI	64,800	8,000	0	0	0	72,800
IT capacity building	64,800	8,000	0	0	0	72,800
Graduate courses - local (DIT)***	0	0	10,000	0	0	10,000
Total	1,074,000	80,000	1,556,134	1,334,000	4,000	4,048,134

*study in IMF Institute, Singapore, ** study in Indonesia/India, *** study in Timor-Leste. WPI and PPI stand for wholesale and producer price indexes respectively.

Note: Excludes an estimated \$12 million for conducting the Censuses of Population and Agriculture, and two surveys of Demographics and Labour Force. Also excludes \$50,000/year for the salaries and wages of additional 17 employees proposed for district offices and line ministries.

Sustainability and risks

As in many other developing countries with limited financial resources, manpower and infrastructure resources allocated to a statistical system in Timor-Leste are competing with other government priorities. Commitment by the government to support the activities formulated in the SWP with adequate budgetary resources is essential for maintaining the process. Insufficient capacity and inability to hire, train and retain qualified staff poses another threat to the process.

There is a possibility that some donors pushing the DNE towards the strengthening of statistical capability for poverty monitoring or similar internationally-compatible objectives may cause some of Timor-Leste's other priority statistical needs mentioned in the SWP to be neglected.

Monitoring and Evaluation

An important part of the SWP is monitoring and evaluation of the program suggested in the priority work plan. Monitoring progress will help to assess deficiencies, and find out what extra resources need to be allocated. A specially constituted committee should be set up to monitor how the government of Timor-Leste, the private sector, and civil society are using statistics in their decision-making processes.

Going forward

Given its relatively small size and limited capacity, Timor-Leste cannot afford to be unsystematic in its approach to statistical development. In a global environment in which social well-being and economic interests are so interdependent the country can ill afford not to promote and implement statistical development in order to serve the interests of its people, both currently and in future.

Two important conditions are necessary for the SWP to succeed: high-level of political support or commitment by the government; and effective leadership of the DNE. If these are in place, the work on the components suggested in the SWP may succeed.

Key recommendations¹³

- 1 Hire an international consultant with legal experience to amend the existing statistics act with an emphasis on: the mission of the national statistical system; duties and responsibilities of the director of the DNE and his role as the coordinator of statistical activities of government ministries, departments and other agencies.
- 2 Define the statistical functions and responsibilities of line ministries in the statistical act, and stipulate that line ministries and other government agencies are obliged to provide the DNE with such data in their possession as are necessary for the production of official statistics.
- 3 Continue to maintain the DNE administratively under the Ministry of Finance for a further ten years from 2009 or until it builds itself as a competent statistical agency through capacity-building measures addressed in the SWP.
- 4 Form a Statistics Advisory Board and appoint members from line ministries, the Banking and Payment Authority, civil society groups and the private sector. The Board should include representatives of ministries that generate data, and also ministries that are major data users.
- 5 Assume ownership of the SWP and solicit donor assistance for the execution of specific components of the plan.
- 6 Appoint a project manager to oversee the development of the SWP. He should be responsible for seeking donor and government funding for implementation of the SWP recommendations.
- 7 Establish a trust fund into which donors contribute funds to finance components of the SWP.
- 8 Arrange a meeting of donors to discuss and agree on the funding plan.
- 9 Prepare a three-year rolling corporate plan with strategic statistical objectives, goals, and activities (a sample is in the Annex VIII) that will be realized by the DNE each year.
- 10 Discourage 'ad hoc' statistical activities funded by external agencies which risk overwhelming the DNE beyond its capacity and detracting from the key objectives of the SWP.
- 11 Hire an international consultant as institutional development manager who will assist the director, DNE, for a minimum period of two years.
- 12 Restructure the DNE¹⁴ and allocate necessary funds to hire additional staff and implement the statistical capacity building program.
- 13 Hire consultants to review:
 - a. identify, and establish hardware/software requirements for the design and implementation of a database for storage and dissemination of statistical output ensuring data confidentiality and security,

¹³ The rationale for these is developed more fully in the following sections.

¹⁴ It is recommended that the restructuring process looks into re-training and re-deploying staff whose current technical and statistical skills are well below reasonable acceptable standard.

- b. design and establish a statistical register of enterprises and individual business establishments,
 - c. design and conduct basic statistical course for all statistical staff in the DNE and in the line ministries,
 - d. prepare and implement a staff training and career development program, including annual staff performance assessment reviews.
- 14 Provide adequate statistical training, necessary staff and IT support to those line ministries that have statistical cells in order that statistical data from administrative records is properly processed and tabulated.
- 15 Develop a statistical course jointly with the Dili Institute of Technology or National University to cover the core skills and knowledge needed by professional government statistical staff working in the DNE and other line ministries.
- 16 Design a scheme to recruit a selected number of university final year students as 'cadets' and train them to become professional statisticians.
- 17 Allocate adequate government funding to the DNE and to line ministries to build up statistical expertise through long term training including granting fee assistance for staff willing to study part-time in a graduate-level course.
- 18 Hire a local consultant to design and implement a sub-district level data collection system.
- 19 Engage a local agency to design and conduct the Annual Business Activity Survey (a sample questionnaire is in the Annex XIV) and the Annual Agricultural Production Survey.
- 20 Appoint a committee to monitor and evaluate progress with implementation of the SWP after the first 12 months.

Statistics Gathering in Timor-Leste

History

Timor-Leste was first colonized by the Portuguese in 1520 and remained under their control until 1975. Following their sudden departure, Indonesia annexed the former Portuguese colony.

A UN-supervised referendum was held on 30 August 1999 when 78.5 per cent of the population voted to secede from Indonesia. The UN Transitional Authority in Timor-Leste (UNTAET) then governed the territory for nearly three years. On March 2002, the new constitution was adopted and UNTAET turned over the governance of the country to the Timorese.

Economy

Measured by income and broader human development goals, the first new country of the new millennium, Timor-Leste, is one of the world's poorest¹⁵. The population of Timor-Leste is about one million. More than half is illiterate and four-fifths of the labour force work receives its subsistence income from agriculture and fisheries. About seventy per cent of the population is under 30 years old and life expectancy is about 56 years. Unemployment rates are high, particularly in the capital and among youth, and about half of the population lives below the basic needs poverty line of \$0.88 per day¹⁶.

The economy shares the characteristics of other poor countries where the agricultural sector employs the majority of the labour force but generates relatively little income due to low productivity. According to the Direcção Nacional de Estatística (DNE) statistics, the agriculture sector contributed around 25 per cent of gross domestic product (at current market prices) in 2003. Food crops are the single most important contributors, followed by nonfood and estate crops, livestock, fisheries and forestry products.

In late 1999, after the referendum, about two-thirds of the economic infrastructure was destroyed by the Indonesian-backed militia. Over the next three years a massive international program led to substantial reconstruction in both urban and rural areas but the country continues to face tremendous challenges in rebuilding its infrastructure, strengthening the civil administration, and generating jobs for young people. The development of oil and gas resources in offshore waters has begun to supplement government revenues. The underlying economic policy challenge the country faces remains how best to use oil and gas revenue to lift the other sectors of

¹⁵ UNDP, *Human Development Report 2006: Beyond Scarcity, power, Poverty and the global water crisis*. (New York: 2006).

¹⁶ DNE, *Poverty in a Young Nation*, (Dili: 2008).

the economy in order to have higher growth and reduce poverty.

Evolution of the statistical system

In 2001, the United Nations (UN) established a statistics office in Timor-Leste. The office was renamed Direccção Nacional de Estatística after Timor-Leste gained its sovereignty in 2002.

The DNE has helped international agencies to collect data through a number of surveys. The first of these surveys, the Timor-Leste Living Standard Survey, conducted in 2001, was the basis of the 2003 Poverty Assessment Report¹⁷. The survey has also been used in the calculation of Gross Domestic Product. Two other surveys conducted in 2002 and 2003 - Multiple Indicator Cluster Survey (MICS) funded by UNICEF and the Demographic and Health Survey (DHS) funded by the World Bank - concentrated on health and fertility related topics. These were followed by the National Population Census in 2004, the Household Income and Expenditure Survey¹⁸ and the Timor-Leste Standard of Living Survey in 2007.

In 2007, the Asian Development Bank (ADB) initiated a mission to make a preliminary assessment of statistical capacities in Timor-Leste¹⁹. A national consultant from the country was appointed to prepare a diagnostic study of the statistical system in Timor-Leste²⁰. The study discusses in detail the current status of the statistical system and makes recommendations for improvements. The present study also concludes that there is a strong need for development of a sustainable statistical capacity that meets the country's development needs.

Other steps taken by the ADB include the convening of a workshop to discuss developing a strategic plan for statistics. The Government took the further step of requesting the World Bank to provide resources to develop a Statistical Work Plan (SWP) with terms of reference for an international consultant prepared using guidelines developed by the above-mentioned diagnostic study and the capacity constraints prevailing in Timor-Leste (Annex I).

Current state of the statistical system

The DNE is the primary statistical body in Timor-Leste. A number of other institutions, including the Ministry of Finance (MOF) and the Bank and Payment Agency (BPA), also have key data generating responsibilities. In addition, line ministries such as the Ministries of Agriculture, Education, Labour, Health and Trade engage in some data gathering for their own administrative requirements. These together constitute the overall official statistical system for the country.

A recent assessment of the DNE by the adviser reveals that it is trapped in a 'vicious cycle' in which shortage of funds contributes to poor performance and low-quality statistics, which in turn creates a negative view, and lack of support and funding

¹⁷ World Bank, *Timor-Leste: Poverty in a New Nation: Analysis for Action* (2003).

¹⁸ This survey was conducted to obtain expenditure weights for the CPI rebase, but no efforts so far have been made to process data and publish results.

¹⁹ Philip Turnbull, *Review and Action Plan for the Statistical System in Timor-Leste* (ADB: 2003).

²⁰ Joao Saldanha, *Diagnostic Study: Statistical System in Timor-Leste* (Dili: 2007).

for statistical operations and departmental development²¹. Statistics are, by and large, not a priority in national development processes in Timor-Leste. At the national level, inadequate political commitment to statistical development has translated into low priority for statistics, inappropriate profiles of the DNE in government hierarchy, and associated under-funding.

The DNE has not been able to accelerate the pace of statistical development in the country by creating greater awareness among data users, especially planners, policy makers and decision makers, about the strategic importance of statistics, particularly for evidence-based macroeconomic management, policy formulation and decision-making. In particular the DNE has failed to build its capacity to harness information and communications technology and to improve the way data are collected, managed and disseminated to users.

Unlike other developing countries where one can list particular areas of skill shortages, in the case of the DNE, there is an all round shortage of skills. While staff numbers may be adequate for a country of this size²², the office lacks people with specialized skills in national accounts, sampling, IT, survey design and analytical abilities.

The current statistical functions of the main sections of the DNE can be described as follows:

The Social-Demographic section is charged with responsibility for the Census of Population. The section handles activities for four statistical functions: (i) population, (ii) labour force, (iii) social statistics, and (iv) criminal data. The Social-Demographic section is also responsible for the collection and processing of the birth and death statistics. However, the completeness of even these statistics is highly questionable.

The Social-Economic section covers four functional activities: (i) production statistics, (ii) the Consumer Price Index, (iii) import and export tabulation, and (iv) national accounts. Timor-Leste's first official Gross Domestic Product (GDP) estimates for the calendar years 2000 to 2003 were tabulated by a team of international consultants from the Boston Institute for Developing Economies (BIDE) of the USA in 2007. After this, compilation of GDP was discontinued as no-one in the office has the conceptual ability or processing skills to put together national accounts aggregates with some tolerable level of accuracy.

The DNE is keen and committed to initiating the process for the compilation of national accounts in accordance with the UN *System of National Accounts (SNA)*; however it lacks the necessary conceptual knowledge²³.

Basic statistics on economic activities are available but not regularly collected. Subsistence farming is the predominant activity in the country but there is no systematic process to collect production data in agriculture, forestry and fisheries. Although there is a rapidly expanding private sector of small-scale enterprises in

²¹ Siripala Ipalawatte, *A Statistical Work Plan for Timor-Leste, Interim Report* (Dili: 2008).

²² As of January 2009 the DNE has 18 permanent and 45 temporary staff.

²³ GDP is one element in the national accounts, which tracks a country's production, expenditure, income, wealth, and many other elements in a consistent way.

Timor-Leste²⁴, there is no obligation to report activities to the authorities under the present system, and there is no mechanism in place to collect information from this new sector of the economy.

The Social-Economic section has commenced the calculation and publication of the CPI on a monthly basis. External trade data obtained from the Department of Customs in ASYCUDA system are also compiled, processed and included in its monthly trade statistics publication.

The Publication and Research section consists of four divisions: (i) Census, (ii) MDG statistics, (iii) Technology, and (iv) Development information (DevInfo) and other statistical dissemination.

Inadequacies of the current system

The pattern and frequency of data collection by the DNE have so far been largely motivated, and assisted, by international donor agencies rather than by their importance for the Timorese economy²⁵. Since independence the DNE has concentrated on field work and data entry for various surveys promoted and funded by external aid organizations²⁶. Analysis and reporting these surveys has been done by external consultants with little transfer of skills to local staff²⁷.

The current organizational structure of the DNE does not reflect any serious effort at functional specialization nor clear depiction of activities. There are no specified job descriptions for any of the staff levels. Furthermore, few have any experience in relevant subject matter, data collection, processing, dissemination and management of complex, or technical operations. The recruitment process at the DNE has not taken into account the different kinds of skills, such as supervisory and IT skills required for managing large data collections, processing, and dissemination, including running complex, technical operations. Furthermore, DNE senior management is mostly untrained in modern-day management techniques of finance and human resource planning, technical and IT capacities.

There is also little coordination of data gathering and little joint interpretation of the country's statistics by the international agencies, resulting in the inevitable 'guesstimates' being included in their reports²⁸.

Visits to various Departments and Ministries by the adviser have revealed

²⁴ Vincente C. Queipo, *Survey of Small and Medium Industries in east Timor (Dili: Division of Industry, Mineral Resources & Tourism, September, 2001)*.

²⁵ It seems that international agencies make good use of data while domestic use of same data is low; and when much of the basic data collection is still dependent on foreign funding, one gets the perception that international agencies are more keen than the government of Timor-Leste to have data.

²⁶ Since 2001, Timor-Leste has conducted four major household surveys, a national population census and a Suco census. This success in carrying out surveys has indicated the capacity of the DNE in conducting surveys, and this in turn has led to a demand from users for more surveys. The preparation for the Population Census 2010 and the Demographic Health Survey is already underway.

²⁷ ADB, *Report on Long Term Capacity Building for Timor-Leste (January 2008)*.

²⁸ For example, although there are no official national accounts from the DNE for the country after 2003, the IMF Article IV consultation for Timor-Leste in 2008 estimated and reported that real non-oil GDP during 2001-07 declined by 12 per cent.

that, at present, collection and compilation of various databases are being undertaken in a decentralized manner without any co-ordination mechanism. In many Departments databases are stored in a manner that makes it difficult to retrieve or re-tabulate data. There is no system for making any consistency checks, and it has been noted that in many offices data are being maintained by administrative staff not trained in simple statistical methods.

The organizational structure is inadequately developed, and the facilities are too undeveloped to make employees fully efficient and productive. The DNE will require major restructuring plus long-term technical assistance before it can become a fully functioning statistical office.

The review of the DNE presented above deals with one area of the statistical system. In addition to the efforts of the DNE, there are other data collection efforts taking place in Timor-Leste.

Contributors to the national statistical system

A limited amount of data is collected by the line ministries and other agencies of the government in the process of delivering services, mostly for administrative purposes, e.g. Customs, taxation, government finance statistics and banking data.

Some line ministries have started collecting data of their own to meet information needs, with the help of international agencies such as UNICEF, the World Bank and UNDP. In some instances data is collected without prior consultation with, or the assistance of, the DNE because its current lack of capacity is well known. Some of these data collection efforts do not adhere to accepted norms, concepts and methods and may not comply with conventional frameworks such as SNA; nor is the information collected shared with other agencies. UNFPA, on the other hand, collaborated with the DNE to complete the 2004 Census; UNICEF teamed up with the DNE to conduct the Multiple Cluster Survey and the Demographic and Health Survey; and the World Bank assisted the DNE in a survey to assess vulnerability and issues linked with poverty.

Monetary statistics and balance of payments data

Timor-Leste's monetary sector consists of (1) the Bank and Payment Authority (BPA), which is the central bank as well as the agency responsible for managing the Petroleum Fund on behalf of the government; (2) commercial banks; and (3) state-owned banks.

Monetary statistics are compiled by the BPA²⁹. They are generally compiled following the methodology of the *Monetary and Financial Statistics Manual*. The BPA publishes a quarterly bulletin and an annual report with key monetary aggregates and submits data to the IMF for publication in the *International Financial Statistics*.

The Banking and Payment Authority is also responsible for the country's balance of payments statistics. It measures the payments that flow between Timor-

²⁹ The monetary statistics are based on monthly balance sheet returns submitted to BPA by the commercial banks and other micro-finance institutions.

Leste and all other countries. The balance of payments is determined by the country's exports and imports of goods and services, and financial capital, as well as financial transfers.

Government finance statistics

Government finance statistics (GFS) are based on data compiled by the Ministry of Finance (MOF). They describe the flows (mostly transactions) and stocks (assets, liabilities, and net worth) that are recorded in the GFS system³⁰. These data could be used to compile the general government sector's contribution to the national accounts. Official data on central government revenue and expenditure are published semi-annually. In addition, monthly data are available on request through the budget, treasury, and revenue services. The compilation of revenue and expenditure follows the classification of the *Manual on Government Finance Statistics*.

³⁰ Domestic and external debts are currently zero, and the government has a firm policy commitment not to borrow.

The Strategic Plan

The framework for the statistical work plan for Timor-Leste is considered under three headings: (a) domestic necessity; (b) intentional comparison; and (c) information diversity. As these demands are changing continuously, a fundamentally new approach is required to address the national needs for statistical information.

Domestic necessity

Timor-Leste is a young nation that is currently recovering from a deep political crisis. The country faces great challenges in rebuilding its infrastructure³¹, strengthening the civil administration, and generating jobs for young people entering the work force. With volatile GDP growth rates, the formal sector remains in an infant state employing only about 14 per cent of the labour force, while the rest is engaged in the vast and growing informal sector. The development of oil and gas resources in offshore waters has begun to supplement government revenues. In late 2007, the new government announced plans aimed at increasing spending, reducing poverty, and improving the country's infrastructure.

These changes have given rise to increased demand for statistics to help measure the impact of government development policies on society and the economy. The changes in Timor-Leste society and the economy are not evenly spread across the country³². Around 70 per cent of the population lives in rural areas where the incidence of poverty is high compared to that in urban centres. The factors contributing to rural poverty include low returns in agriculture and limited non-farm livelihood opportunities, as well as limited access to basic services and infrastructure.

There are new demands for detailed district and sub-district social and economic data. The publication of the government National Development Plan underlines the importance attached to the regional dimension³³.

The rural economy provides livelihoods, income and jobs to the majority of the Timorese population. Rural infrastructure in some areas is either non-existent or in poor condition for any productive activities. Communities are isolated from one another and there is no flow of services, goods, and information from economic centres to communities of producers. Details of micro enterprises, assistance received, problems in marketing and other problems faced are

³¹ In late 1999, about 70% of the economic infrastructure of Timor-Leste was laid waste by Indonesian troops and anti-independence militia.

³² DNE, *Timor-Leste: Poverty in a Young Nation* (Dili: November, 2008).

³³ 'Promote integral rural development to generate remunerative employment and sustainable livelihoods, increase rural incomes, reduce poverty, accelerate economic growth and reduce the gap between rural and urban areas'.

unavailable either locally or in aggregate. Details of major agricultural crops and data on employment and unemployment are also not available or not being regularly collected at a district level.

Statistics on infrastructure development programs that can generate employment for local community members are urgently needed. Support for enterprise development in the rural agriculture and fisheries sectors requires good statistics. Furthermore, the emerging emphasis on evidence-based policy-making, has led to an increased importance of rural and district level statistics in policy analysis.

International comparison

Increasing international co-operation and globalization have created a demand for statistics that allow Timor-Leste to compare national economic and social indicators against other countries. A primary requirement for national benchmarking is that the national statistical system can produce high quality information consistent with that gathered for other developing countries. The production of Timor-Leste statistics must be at least as timely as that of other Asian and Pacific countries so that the country can measure its economic and social performance relative to them. Timor-Leste, despite its small size and relatively limited capacity, must develop and maintain a statistical system that facilitates international comparison.

Information diversity

The requirement for diverse information has created many new demands and responsibilities for national statistical agencies. In the past, much of the statistical work focused on meeting the needs of key domestic users and international organizations. Now many see a key role for statistics in the evolution of a more open civil society. A consultative mechanism that allows for user-producer dialogue is now a pre-condition for statistical agencies to ensure that they are producing relevant statistics.

The role of the statistical agencies is gradually changing from the basic tasks of collecting statistics to assisting users make appropriate use of statistics by providing more analysis and interpreting key trends. Since the statistical agencies are familiar with the quality of statistics, their expertise is sought to correctly identify and interpret fundamental messages in the statistics. Presenting the results of surveys in a format that is readily understandable is one of the tasks challenging statistical agencies today.

The traditional paper publication is becoming increasingly irrelevant as users of statistics look for data in an electronic form. Furthermore, users seek more detailed data for undertaking specific analyses.³⁴ This leads to the need to create time

³⁴ The development of sophisticated statistical packages that can be used by non-specialists

has increased the demand for statistics.

series datasets so that the pattern of change over time can be understood.

So, the DNE faces a number of key challenges in the coming years, such as:

- ensure that it can meet the demands for statistics and indicators in an efficient way;
- guarantee that all statistics are compiled to best international standards;
- use existing data sources of line ministries and other government agencies as much as possible to reduce the burden of data collection and costs;
- build datasets that allow longitudinal analysis.

These challenges require that the DNE takes a whole-system approach to developing a statistical system, involving all parts of the public sector where administrative records are maintained.

The SWP process

The SWP serves a number of purposes. The first objective is to put a framework in place to ensure comprehensive coverage of Timor-Leste official statistics. The preliminary report³⁵ contained a draft framework, encompassing the key national statistics, groups and sub-groups of data and the indicators that would populate them.

Following international practice, all statistical requirements of the country have been considered within two important frames: economic (including financial) and social (including equality). This data-gathering process has already begun with the Population and Housing Census, Demographic Health Survey, and Timor-Leste Survey of Living Standards already completed.

In an effort to decide on an essential set of economic statistics necessary to carry out monitoring of economic development programs by the government and international agencies, a series of user consultations were carried out. It was also necessary to perform an evaluation of data holdings in line ministries across the administrative system to assess the potential for adding greater value to existing records. Consideration was given to improvements necessary to the quality of the underlying economic data to improve the accuracy and timeliness of macroeconomic statistics such as national accounts and balance of payments.

The data collection scheme suggested in the SWP can be used for quantifying budgetary and other resource needs, including the need for international technical support. The donor agencies should be able to understand with greater clarity the expectation and priorities between competing statistical requirements of the government and provide better-coordinated technical assistance within the context of the priorities established by Timor-Leste.

The process began with a set of statistical frames according to what types of output are to be produced by the DNE (Annex X). In order to produce these statistical outputs the DNE needs to liaise with all government ministries,

³⁵ Siripala Ipalawatte, *A Statistical Work Plan for Timor-Leste, Preliminary Report* (Dili: 2008).

departments, and other agencies for the collection of statistical records.

The second element in the process was the development of an infrastructure for delivering the information gathered in the above statistical framework. The SWP recommends that this should be done through networking, with each key line ministry or agency, along with the DNE, having agreed data responsibilities. For this to succeed, it is important that the statistical functions and responsibilities of line ministries are defined in a statistical decree, and the ministries are equipped to fulfill their role. The administrative record-keeping areas in the ministries should, with the assistance of the DNE, develop the competence necessary to make certain that the records are collated and tabulated in such a way that they can be used for policy needs of the government.

The SWP suggests that the DNE takes a central role in the collection of administrative data across the country, including at district and regional levels. In this context, the DNE, supported by the line ministries, should develop best practice guidelines in the preparation and implementation of data tabulation, so that the quality of data meet the standards and norms set by the UN, the IMF, the World Bank and other international organizations (Annex V). Maintaining this network across government ministries is important to the process.

The DNE should not only play the central role, but also facilitate the consultative support to the other agencies so that they too regard the provision of adequate statistical information as a desirable output. The DNE will face a major challenge in working in harmony and in cooperation with the various agencies responsible for maintaining these administrative records. For the DNE in its current context, the challenge is even greater because it lacks capacity, adequate resources and know-how. Under these circumstances, the DNE needs to engage those line ministries and departments in a variety of ways: identify priority data needs; work towards acceptance; arrange for flow of data on timely basis; and train staff in an appropriate manner.

Where specific statistical surveys, such as demographic health or school leavers, are undertaken by, or at the request of, a government ministry or agency, the DNE should have an involvement in survey design and execution. This is necessary to ensure that the surveys follow accepted methodology and standards appropriate to the overall statistical framework. This central coordination will also help in avoiding overlap or duplication.

The third component of the process has been setting priorities for the development of new statistical series and indicators. It is likely that resources will be limited and the approach will be to identify crucial data gaps and consider appropriate responses in order to meet the variety of demands for statistics arising from major economic and social initiatives implemented by the government. A draft priority list should be discussed with key stakeholders to determine who is responsible for providing basic data, and to decide on a final priority list.

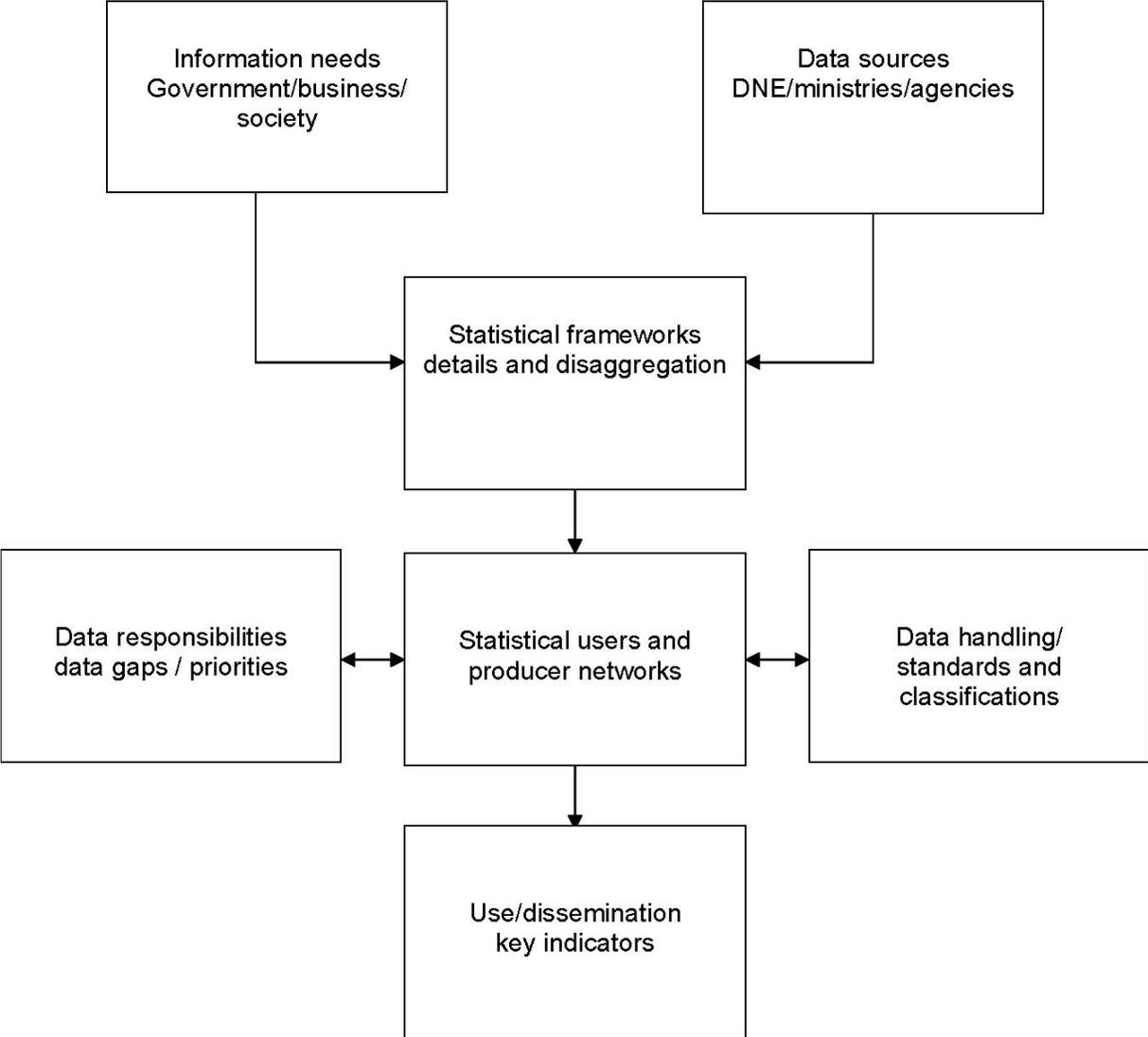
The fourth component of the process is the planned development of competence by the DNE in data analysis so that the data generated can be readily studied and used by policy makers, analysts and researchers. In the absence of strong datasets and well-trained analysts, it is difficult to promote evidence-based policy making in the public sector. The DNE should be the 'statistics centre of

excellence' in terms of data analysis. It is also the role of the DNE to support line ministries and other agencies in building up the required statistical competences. The DNE staff should move between the DNE functions and responsibilities within other government agencies to generate a critical mass of statistical expertise.

Figure 1 outlines the main mechanism supporting the SWP strategy in terms of statistical frameworks and producer networks. In this model users and producers of official statistics work together to a set of agreed statistical frameworks, such as producing selected quarterly macroeconomic indicators. They will discuss, identify data gaps and determine priorities for collecting data within the statistical framework to satisfy the total macroeconomic requirements, including standard classifications and common databases.

The main focus of the DNE's collaborative work with line ministries and other agencies will be on social and business/economic information and there should be increasing awareness that these social and economic interests are interdependent.

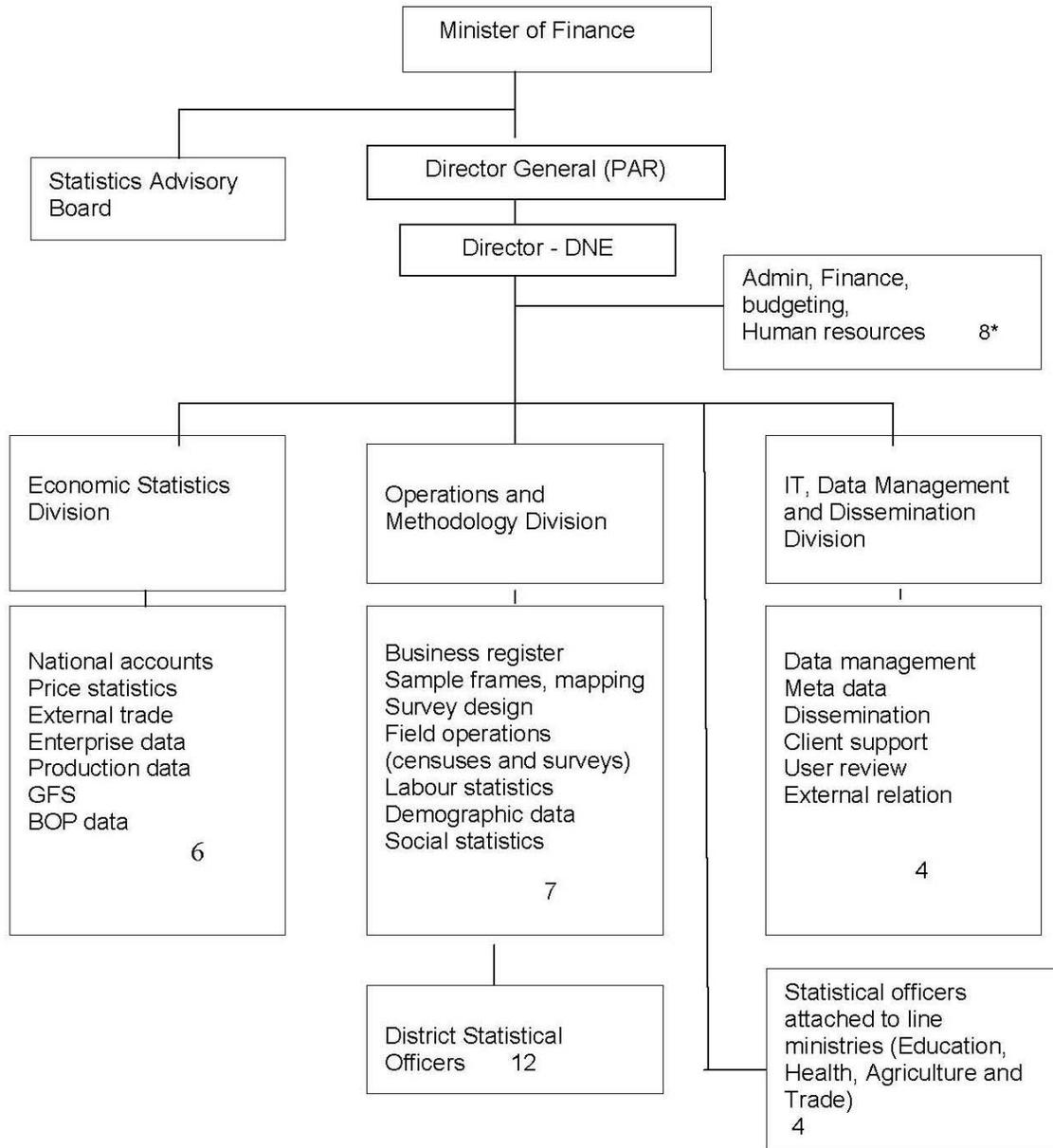
Figure 1: Model of statistical frameworks and producer networks



Allocation of responsibilities within DNE

Figure 2 shows the proposed new structure for DNE and the total number of staff required for each functional activity.

Figure 2: Proposed organization structure – DNE



*Includes security, cleaning staff and drivers

In designing the organization structure, account was taken of what is manageable with available resources and the specialization of the DNE staff. There is no reason to accept that all activities mentioned in the prioritized work plan must fall within a single division or unit. The organizational structure of the DNE favours a cross between the subject matter and functional approaches.

The Director, DNE, should be responsible for providing leadership and managing the office by giving direction to its financial, administrative, personnel and other statistical functions. He also should be responsible for management of external relations, most importantly the key government counterparts, the legislative authorities, the media and international organisations.

Proposed divisions are:

Economic Statistics – The economic statistics division would be responsible for performing a number of unique functions such as the national accounts and other macroeconomic indicators that are used by a well-defined set of users, including the specialized departments in the Ministry of Finance, the Banking and Payment Authority, the World Bank, the International Monetary Fund, the United Nations and other international agencies. Compiling the macroeconomic data effectively depends on the collection of basic economic statistics. The economic statistics division should handle the collection of data such as government finance statistics, balance of payments data, and external trade data.

Operations and Methodology – Statistical infrastructure such as sampling, sample frames and survey design should be the responsibility of the operations division. This division should set up and maintain a business register. The businesses register forms the cornerstone upon which a diversity of business statistics production rests. The data sources for the business register are administrative, commercial and survey. The division should also be responsible for maintaining the physical and functional integrity of the data base, keeping it up-to-date, and providing data to other divisions for conducting business, or production surveys. They also should be responsible for conducting major censuses such as population and agriculture. The operations and methodology division should handle the collection of social data such as health, education, labour force and criminal statistics.

Information Technology, Data Dissemination – Technical infrastructure, such as computers, application software, and net working as well as all the key statistical activities relating to editing, mapping, tabulating and publishing, should be handled by the IT and Dissemination division. This division would also be responsible for providing IT advice to other divisions to advance the mission of the DNE, and for designing and maintaining a well-considered system for dissemination of statistical information including websites that will strengthen the image of the DNE.

Administration, Human Resources and Finance – This division comes under the direct supervision of the director. The division should be responsible for finance, budgeting, personnel, human resources management, and training.

Statistical officers in the districts – In order to implement its programs on a district basis and to serve the statistical needs of district administration, the DNE should set up district-level data collections, handled by statistical officers attached to each of the 13 districts (Annex XV). The district statistical officers should be responsible for serving all of the subject matter divisions in the DNE. As the DNE heavily depends on administrative data such as education, health and agricultural statistics, district statistical officers should look after those records as well.

District statistical officers are responsible for the following activities:

- maintaining contact with district offices of various ministries;
- securing cooperation for various surveys conducted by the DNE;
- help conducting censuses and surveys;
- taking charge of initial editing of the information collected;
- researching effective methods of data collection.

Statistical officers in the line ministries – The DNE should place a number of statistical officers in the Ministries of Agriculture, Health, Trade and Education. These statistical officers should be under the immediate administrative control of heads of Ministries, even though they belong to the cadre of the DNE, and they should obtain and transmit advice and guidance from the operations division of the DNE.

Data development

Data development represents the most important and challenging activity to be taken up by the SWP. The data collection program is based upon the UN System of National Accounts (SNA), which offers a broad framework for organizing a range of economic statistics, and the Millennium Development Goals (MDG) framework for organizing the compilation of social statistics. Implementation of the core statistical work program demands conducting a series of regular annual surveys such as the Business Activity Survey and the Agriculture Production Survey in addition to collecting statistics on retail, wholesale and producer prices, balance of payments, government finance and external trade for the preparation of national accounts and for deriving other economic development indicators.

There is also need for periodic large-scale data collection such as Census of Population and Housing, Household Income and Expenditure Survey, Demographic and Health Survey, Labour Force Survey, and Standard of Living Survey, together with the collection of regular administrative data such as those for tourism, education, health, and vital registration statistics maintained by the line ministries.

Household Income and Expenditure Survey (HIES) – This is a high priority survey and should be conducted at least every five years. It is important that the HIES is designed so that the DNE collects data for use in deriving the household sector of the national accounts. In addition, the survey data could include poverty statistics, calculation of household consumption measure of expenditure of national accounts, and weights for the CPI. Information collected in the different modules should provide both wage data and earnings from agriculture, small business as well as from other household-based secondary activities.

Business Activity Survey (BAS) – This survey should be conducted annually and should cover all enterprises in Timor-Leste. It should collect statistics on outputs, intermediate consumption, taxes paid, employment, wages and salaries, capital expenditure and depreciation. This survey should be geared to the generation of indicators of output and input in the manufacturing, construction, wholesale and

retail trade, transportation, and all other services sectors.

Agriculture Production Survey (APS) – The DNE and the Ministry of Agriculture should be responsible for conducting this annual survey on a sample basis to collect types of crops, area cultivated, production, inputs used and producer prices for agricultural crops. The survey also should collect estimated production of livestock, forestry and fishing. The DNE's role will be providing specifications, standards and obtaining regular access to the data generated by the Ministry of Agriculture.

Price statistics – This is the responsibility of the DNE. It should collect consumer, producer, and wholesale price statistics that provide a basis for the calculation of deflators necessary to derive constant price measures for national accounts estimates. The DNE currently compiles the CPI but does not collect producer prices or wholesale prices.

Balance of payments data –The Bank and Payment Agency (BPA) is responsible for collecting, processing and providing balance of payments, money, banking and currency data to the DNE for the compilation of the national accounts of the country.

Government finance statistics – The Treasury Department of the Ministry of Finance is responsible for collecting, compiling and providing the data relating to government revenue, expenditure, and debt.

External trade statistics – The Customs Department is responsible for providing the external trade data processed through the ASYCUDA system to the DNE.

Census of population and housing – The DNE is responsible for conducting this census. It should be treated as part of a larger and more comprehensive mechanism for developing the broader statistical needs of the government. The Census of Population should be conducted at ten yearly intervals.

Agriculture census – The DNE and the Ministry of Agriculture are jointly responsible for conducting this census. It too should be treated as part of a larger and more comprehensive mechanism for developing the broader statistical needs of the government. The Agriculture Census should be conducted at ten yearly intervals.

Demographic and health survey – The DNE and the Ministry of Health are responsible for this survey. The survey (to obtain statistics on child mortality, child nutrition and health status of children and their mothers) should be conducted at five yearly intervals. However, a decision will have to be made on whether there is value in doing a DHS as well as the Living Standard Survey. One point in favour of continuing to do a DHS is that it is one of the surveys most internationally comparable.

Vital registration system – The Ministry of Justice should be responsible for the

collection of births, deaths and marriage records. These records should be forwarded to the DNE for validation and processing. The data processed and collated are important basic demographic indicators.

Educational statistics – The Ministry of Education should be responsible for collecting demographic distribution of students, distribution of students by grade of study and by school level. The school principal of the school or his designated appointee should prepare these data and submit completed schedules to the DNE.

Health statistics – The Ministry of Health should be responsible for compiling health statistics. The medical officers attached to hospitals should send returns containing patients' particulars including correct diagnosis codes (international classification of diseases) and information on the number of births, birth weights, deaths (infant/mothers), and stillbirths.

Visitor statistics – The Immigration Police and the Ministry of Trade and Tourism should be responsible for compiling tourism statistics.

Vehicle registration – The Ministry of Infrastructure should be responsible to develop and maintain a database of vehicles by type and age.

Unemployment statistics – The National Directorate of Labour Force should be responsible to maintain data on registered job seekers in the urban area.

Electricity and water production – Data on volume and value of electricity and water consumption should be maintained by Electricity Timor-Leste and the National Directorate of Water and Sanitation.

Postal and telecommunication – statistics on domestic and international postal articles and fixed and cellular phone usage should be maintained by the Directorate of postal services and Telecom Timor-Leste respectively.

Social assistance received – The National Directorate of Social Assistance should maintain statistics on the number of persons receiving social assistance.

Basic statistics for districts

Details data on household based-micro enterprises, agricultural crops, fishing as well as data on poverty, employment and unemployment should be collected and published at a sucos / Aldea level. The Directorate of Territory Administration in each district (under the Ministry of State Administration and Territorial Planning) should help to set up data collection. They will be assisted by the statistical officers attached to district offices.

Key statistical outputs

The DNE should regularly release major statistical publications³⁶, including the Quarterly Statistical Indicators (QSI) and the Statistical Yearbook. These publications should contain the following main statistical series tabulated by the DNE as well as the data obtained from administrative records kept by the line ministries and other agencies:

National Accounts (GDP)

The national accounts should be produced on an annual basis but they need to be revised to be made more accurate.

Consumer Price Index

The consumer price index should continue to be produced on a quarterly basis.

Government finance statistics

Government revenue broken down by type of revenue and expenditure classified by capital and current should be included in the QSI issued by the DNE.

Banking and monetary statistics

Quarterly money and banking statistics should be included in the QSI.

Labour statistics

Quarterly data on registered job seekers in the urban areas should be included in the QSI.

Visitors

Quarterly statistics on the number of visitors by country of residence should be included in the QSI.

Imports and exports

The value and quantity of imports and exports by commodity and country should continue to be tabulated on a monthly, quarterly and annual basis by the DNE.

Vehicles registered

Number of vehicles by type and age should be included in the QSI.

Electricity and water production

Value and volume of water and electricity sales should be included in the QSI.

Telecommunication statistics

Number of fixed and cellular phones should be included in the QSI.

Education statistics

Enrolment data by age and sex should be published annually.

Social statistics

Statistics on births, deaths and marriages should be included in the annual publication.

Health statistics

³⁶ See Annex X.

Data on health statistics include births by age of mother, deaths of residents by age and cause, hospital morbidity data by age, sex and reason should be included in the annual publication.

Dissemination of statistical products

Open access to official statistics on the economic and social condition of the country and its population is an essential element of a democracy. The DNE, as the provider of official statistical services, should attach considerable importance to easy and widespread access by all levels of government, and society generally, to the statistics it compiles. The DNE should develop its dissemination policy on the following lines:

- statistics should be published in a timely manner - proposed Quarterly Statistical Indicators should appear on the internet website within one week of the release date. Publication dates for these and other statistics, such as annual and survey-based statistics, should be pre-announced on the DNE website;
- statistics should be accessible, understandable and disseminated in a format that maximises their usefulness – the DNE statistics homepage should include all statistics products electronically, or carry instructions on how to transfer data into spreadsheets to facilitate further manipulation by users;
- the DNE should work co-operatively with other organisations, including government agencies, to enhance the distribution and use of all official statistics;
- expand the scope of published information by engaging in a program of work to exploit new data sources and increase the scope of the statistical information published.

The DNE should develop and implement a new media policy so that its public image as an official statistical body is improved. The office should conduct different surveys of user satisfaction on a regular basis in order to get information about the quality of service provided as well as to get information about the need and expectations of data users.

The DNE should prepare documentation on micro-data access by users. The staff should be trained on how to manage the micro-data. In order to produce official statistics to meet customers' needs there is a need to have full and accurate information about their statistical requirements and preferences. The DNE should constantly gauge market preferences regarding content, medium chosen for delivery, and the level of explanatory details to be included with the data³⁷

Investment in human resources

In the context of the statistical work plan, human resources represent the

³⁷ A consultant from the National Statistical Institute of Portugal financed by the Portuguese Co-Operation for the Areas of Dissemination and External Relations is already working with the DNE.

most critical constraint in achieving targets. Therefore, it is important to identify what human resources are required to meet those targets. Planning human resources for effective statistical operations is a complex process. It needs to consider both the technical aspects related to the number, skills and distribution of statistical personnel in the organization, and statistical information that should be provided to decision-makers by the DNE within specified time and resource limitations.

Human resources with appropriate statistical skills are limited in the DNE. Of the 18 staff members, only five are responsible for technical statistical activities: the rest are general secretarial data collection staff.³⁸

Language is a major communication problem in capacity-building. Most of the DNE staff use Bahasa as their main working language in addition to the local language, Tetum.³⁹ As most of the technical documentation and manuals relating to national accounts and other related subject matters are in English, key staff should have a working knowledge of English.

The prioritized work plan suggested in the SWP indicates an urgent need for specialized skills in areas such as sampling, IT and analysis. A basic statistical course, designed by an international consultant, should be conducted for all statistical staff in the DNE and in the line ministries. Training in application of modern information technology should be provided to staff involved in data collection, processing, and dissemination of census and survey data.

The development of staff skills should be the main priority of the DNE management, and this should be signaled to staff. It is important to integrate the human resources work and career development plans into the corporate and strategic plan, and the staff should be involved in the discussion in order to make the process transparent and encourage their commitment.

As the DNE is competing with other public and private institutions to attract a limited supply of qualified staff, it is important to design a scheme to recruit a number of university final year students as 'cadets'. A statistical program should be developed jointly by the Dili Institute of Technology and the DNE to cover the core skills and knowledge needed by professional government statistical staff working in the DNE and other line ministries.

It will be crucial to hire an international consultant as an institutional development manager who will assist the director of the DNE to implement a staff training and development program. The consultant should help in identifying existing staff who demonstrate ability and potential for analytical and data processing skills for further domestic or overseas training⁴⁰. The consultant should

³⁸ Unfortunately none of the staff in DNE have any experience in constructing national accounts estimates.

³⁹ The language issue suggests an exploratory mission to prospect the possibility of launching a co-operation project to support the total statistical system of Timor-Leste from Indonesia.

⁴⁰ The DNE staff only do well in field work and data entry but lack analytical and data processing skills, therefore it is important that they- particularly those who process trade statistics and the CPI -

prepare a comprehensive human resource development plan including individual development plans for:

- staff to enhance knowledge and skills in core areas of statistics and IT;
- staff selected for certain specialist functions such as IT, estimation techniques and data analysis;
- staff selected for sampling and survey methodology.

Investment in physical resources

Upgrading IT capacity is a major component of the SWP. An IT consultant should be hired for an extended period of time to review, identify, and establish hardware/software requirements for the design and implementation of a database on the Business Activity Survey and the Agriculture Production Survey. He should also provide local on-the-job training for staff and would be expected to design and develop a system for meta-data storage and management, including electronic data interchange (EDI) technology for administrative data. The consultant should suggest the necessary communication equipment, desktop hardware, personal computers and printers.

Time line for implementation of capacity building

The proposals for capacity building (Figure 3) should be implemented over a three year period. The implementation design for staff training and the data collection plan has been structured so as to achieve quick results.

The DNE with participation from the Ministry of Finance should play the central role in executing the work program. The director general of the policy and research of the MOF should be able to play the coordinating role with other line ministries that generate data, and the Bank and Payment Authority. The success of the SWP will depend on the preparation of an annual strategic implementation plan (Annex VIII).

Figure 3: Scheduled capacity development plan

Activity	Inputs	Time line			Outcomes
		2009	2010	2011	
Statistical legislation revision	1 consultant 4/wks	■			Proper legislation is in place
Management - capacity building	1 consultant 2/yrs	■	■		Improved management
GDP- capacity building	1 consultant 2/yrs	■	■		Staff produce national accounts
National Accounts training*	1 staff study abroad			■	Acquire concepts and structure
Basic statistical skills course	1 consultant 4/wks	■			Improve statistics knowledge
Advance statistical skills course**	2 staff study abroad		■	■	Improve Adv statistics knowledge
CPI re-base	1 consultant 12/wks			■	CPI re-based and staff trained
Business Activity Survey	1 consultant 12/wks	■			Business data collected for GDP

should work under the guidance of an international adviser for a time.

Agricultural Production Survey	1 consultant 12/wks		Crops data collected for GDP
Price Statistics (PPI, WPI)	1 consultant 12/wks		Price data for GDP tabulation
IT capacity building	1 consultant 12/wks		Improved IT services for DNE
Graduate program***	2 staff in DIT 5/yr		Staff acquire qualification

* Study in the IMF Institute Singapore

** Study in India/Indonesia

*** Study in Dili Institute of Technology /National University PPI= Producer Price Index, WPI=Wholesale Price Index

Implementation Plan

The SWP is scheduled to be implemented over a ten-year period beginning 2009⁴¹. It is critical that the Timor-Leste government assumes ownership of the SWP and solicits donor assistance for the execution of specific components of the plan. Instead of allowing ‘ad-hoc’ statistical activities with aid from external agencies - which runs the risk of overwhelming the DNE beyond its capacity - the Government should negotiate with donors to contribute to a trust fund for the implementation of the work program in the SWP.

Approaches to funding the SWP

The DNE has had its own budget since becoming a directorate in 2002. Table 2 shows the expenditure budget for the period 2009-2012.

Table 2: DNE core budget, 2009-2012 (000’ US Dollars)

	2009	2010	2011	2012
Salaries and wages	350	351	351	352
Local Travel and subsistence	27	28	29	30
Training and workshop	10	11	12	13
Office stationary and supplies	5	6	6	7
Operational expenses	8	9	9	10
Fuel for the generator	5	6	6	7
Other miscellaneous services	25	26	27	28
Total goods and services	80	86	89	95
Total	430	437	440	447

The approach taken to funding the statistical program of the DNE can have an effect upon its independence from political influence. It is important they have a budget sufficient to allow them to play a coordinating role with other government

⁴¹ The DNE should prepare an annual operating plan incorporating activities proposed in the statistical work plan. A sample operating plan is shown in Appendix VIII.

ministries, departments and agencies to produce reliable official statistics on a regular basis.

The government of Timor-Leste is moving towards a medium term planning process but at the moment budgeting is on a year to year basis. This SWP document should serve as the basis for a medium term plan for the DNE. Unlike some other government directorates, the DNE needs to have some flexibility in the statistics it produces to meet the needs for information depending on current issues. There will however be core statistics, such as national accounts, the CPI, trade data, which must be produced each year on a timely basis.

Many of the recommendations in the SWP involve databases and computer systems located in other ministries and departments and therefore not part of the budget of the DNE. These include:

- health information system that collects morbidity information from the public hospitals and clinics;
- justice databases used by the courts and police;
- visitor statistics maintained by police-immigration;
- education information system that collects student statistics;
- monetary and balance of payments data maintained by the BPA;
- government financial statistics under the Ministry of Finance;
- unemployment data records that are kept by the National Directorate of Employment; and
- taxation data from the Department of Revenue.

Another reason for the DNE to have adequate core funding is that statistical expertise is built up over a number of years through experience and investment in training. Also there is expensive infrastructure required to carry out many of the statistical programs mentioned in the SWP, especially the database and survey developments.

It is recommended that the funding to do the work of the DNE should be of the following types:

- a core recurrent budget to fund the wages and salaries, utilities, building maintenance, vehicle operation and office supplies ;
- capital budget to replace computer systems, vehicles and office furniture items;
- adequate funds to conduct at least one sample households survey every year. This will allow a flexible social statistics collection;
- a cost-recoverable budget or revenue source, which would allow the DNE to fund statistical services such as major surveys which are not expected to be financed from their core budget.

The estimated total cost of implementation of the SWP (Table 3) has been calculated using expenses incurred on similar projects and prevailing travel and per diem rates for international consultants. Equipment costs refer mainly to computers and printers.

The government portion of the recurrent cost of implementing the core work program includes what is already budgeted in its forward work program. That amounts to about \$500,000 in 2009. The proposed organization structure includes an additional 13 permanent employees for the 13 districts and 4 employees for selected line ministries, Health, Agriculture, Trade and Education. The wage cost of these new positions would be around \$50,000 per year and costs for minor capital items would be fairly small. It is recommended that the restructuring process looks into re-training and redeploying staff whose current technical and statistical skills are well below reasonable acceptable standard.

Table 3: Estimated cost of implementing the SWP⁴²

(In constant 2009 US Dollars)

	Technical assistance	Travel and expenses	NDE staff	Materials	Equipment	Total
Maintaining existing statistical activities	0	0	1,546,134	1,316,000	0	2,862,134
Statistical legislation revision	39,600	4,000	0	0	0	43,600
Capacity building (DNE management)	291,400	16,000	0	0	0	307,400
National Accounts capacity building	291,400	16,000	0	0	0	307,400
National Accounts overseas training*	50,000	0	0	0	0	50,000
Basic statistical skills course**	77,600	4,000	0	2,000	0	83,600
Business Activity Survey	64,800	8,000	0	8,000	2,000	82,800
Agricultural Production Survey	64,800	8,000	0	8,000	2,000	82,800
CPI re-base	64,800	8,000	0	0	0	72,800
Price statistics WPI, PPI	64,800	8,000	0	0	0	72,800
IT capacity building	64,800	8,000	0	0	0	72,800
Graduate courses - local (DIT)***	0	0	10,000	0	0	10,000
Total	1,074,000	80,000	1,556,134	1,334,000	4,000	4,048,134
Estimated cost of censuses and surveys						
(In constant 2009 US Dollars)						
Demographic Health Survey	0	0	0	0	0	1,300,000
Labour Force Survey	0	0	0	0	0	1,500,000
Census of Population and Housing	0	0	0	0	0	4,000,000
Household Income and Expenditure Survey	0	0	0	0	0	2,000,000
Agriculture Census	0	0	0	0	0	3,500,000
Total	0	0	0	0	0	12,300,000

* Study in the IMF Institute - Singapore

** Study in India/Indonesia

*** Study in DIT /National University – Timor-Leste

Implementation time table

The implementation plan and the activities scheduled in Figure 4 take into account the assessed statistical needs. In terms of sequencing, the activities

⁴² Detailed financing of SWP activities over 2010-2019 are shown in Annex XIII.

pertaining to review of statistical legislation, conducting an in-house basic statistical training course for DNE staff, and building management capacity should be seen as launching activities.

Censuses form the cornerstone of the DNE's statistical work. They provide accurate estimates for small areas and allow detailed cross-classification of data not possible with sample surveys. The information collected in censuses enables the DNE to construct a sampling frame from which samples for subsequent surveys can be drawn. The new Statistics Act should very specific about the timing of censuses.

Planning for the 2010 Population and Housing Census has already begun. The question then arises as to the best timing for the other two censuses. It is appropriate to carry out the agricultural census as soon after the population census as possible. In that way the agricultural census can benefit from an up-to-date frame, given the high volatility in the agricultural sector and benefit from the information already collected in the population census.

There is an urgent need to carry out a census of business establishments for the whole of Timor-Leste. Considerable listing work will be required to set up a good frame of businesses. Close liaison between different ministries, especially with the Ministry of Trade and Tourism, will be a prerequisite for the success of this exercise. The census will be invaluable in providing aggregates of turnover and employment for use in preparing the national accounts.

Figure 4: Indicative time table for censuses and surveys and monitoring of the statistics work plan

	Key policy steps	Censuses	Surveys	
2009	Work plan starts			2009
2010	Monitoring of the indicators for DNE Report on DNE's Work plan results Monitoring of the indicators for DNE	Population	Demographic Household budget (CPI) Business activity Labour force Crops and livestock Standard of Living Sub-district/ Village	2010
2011				2011
2012				2012
2013		Agriculture		2013
2014		Business establishments		2014
2015				2015
2016				2016
2017				2017
2018				2018
2019	Review of the first statistical work plan completed			2019

Sequencing of activities and implementation responsibilities

Some key activities that should be implemented in the next 12 months and afterwards are listed in Figure 5. Drafting the legal basis for implementation of the restructured organization should start immediately. It is also important to appoint a project manager to oversee the development of the SWP⁴³. The project manager would be responsible for seeking donor and government funding for implementation of the project. A monitoring committee needs to be set up to monitor and evaluate progress with implementation of the SWP after 12 months.

Figure 5: Capacity development and responsibilities

Statistical strategy	12 months (in 2009 and 2010)	Beyond 12 months	National	International
Statistics legislation	Review and change		Government and parliament	

⁴³ He/she could play a dual role as technical adviser to the director, DNE, as well as the SWP implementation coordinator.

Statistical strategy	12 months (in 2009 and 2010)	Beyond 12 months	National	International
DNE organizational development	Implement new structure staff overseas training	New staff for district offices\ line ministries	Approval of government budget	
Institutional strengthening of DNE	Managing resources and priority setting	Further developed	Approval of government budget for extra manpower	Technical support
National accounts	Capacity-building and national accounts estimates	Implement data collection programs. Mini-statistical surveys	Approval of government budget for annual surveys	Technical support
Statistical infrastructure	Design surveys, create business register, concepts, classification and standards	Gradually developed	Cooperation of line ministries	Technical support
IT, databases, dissemination, mass media	Design and implement national statistical database	Gradually developed	Approval of government budget	Technical support

Sustainability of the proposed plan

As in many other developing countries, manpower and infrastructure resources allocated to a statistical system in Timor-Leste have to be according to government priorities, so government commitment to support the Statistical Work Plan is indispensable to initiate and maintaining the process, particularly if systems set up through foreign-assisted technical assistance are to be continued.

The process of sequencing IT training, introduction of new management techniques, and assigning added responsibilities should be handled with caution. The trust the public places in official statistics depends to a great extent on data-gathering, analysis and dissemination respecting Timorese fundamental values and principles.

Monitoring and evaluation

An important part of the SWP is the monitoring and evaluation of the program suggested in the priority work plan because it will help to assess deficiencies, and find out what extra resources are needed to get it right. Recent work done by the PARIS21 consortium has indicated an approach that could be adopted for monitoring statistical capacity, including the examination of the impact, outcome, output and their sub-components. It has mentioned measuring the following key variables:

- user satisfaction

- statistical quality (validation from a sample of users)
- timeliness (reduce time lag between data collection and dissemination)

Until an evaluation mechanism is developed, outputs listed in the work plan could be used as proxies of progress.

Measuring the impact of better statistics on improved decision-making and better resource management is more difficult than measuring outputs. The impact will be positive only if government, the private sector, and civil society use statistics in their decision-making processes.

At the end of the ten year period, there should be an evaluation to assess the most significant constraints, the most successful activities, and generally to assess how well the strategies have met the set objectives. It is also important that as part of the monitoring framework, reporting mechanisms are put in place by the DNE.

Annexes

Annex I: Terms of Reference for a short-term international consultant:

The objective of the consultancy is set out in the project document, memorandum of agreement, short-term individual international consultant, contract No.CA:31.

"The main objective of this assignment is to develop a statistical work program plan for the official statistics service in Timor-Leste that is within the capacity of the Timorese to implement over the next 5 years. Because of the very low statistical base existing in Timor-Leste at present, it is expected that the statistical work program plan will be modest and will take into account the report by Turnbull for the IMF-ADB and the recent ADB-sponsored exercise".

Annex II: List of persons met

His Exc. Rui Manuel Hanjam

Vice Minister Economy and Development

Nikunj Soni

Senior Adviser, Ministry of Finance

Joao Saldanha

Director General, Policy and Research, Ministry of Finance

Direcção Nacional de Estatística

Elias dos Santos Ferreira, Acting Director

Juselina Corte-Real, Head of the Economic Statistics Division

Rudolfo Soares, Head of the Demographic Statistics Division

Paulina R.C.Viegas, Head of the Administration and Finance

Silvino Lopes, Head of the IT Division

Banking and Payments Authority

Gastao M G de Sousa, Manager, Economic and Statistics

Ministry of Health

Marcelo Emanuel, Head of Planning Ministry of Education

Afonso Soares, Director, Planning and Statistics

United Nations Children's Fund (UNICEF)

Siping Wang, Project Officer-Planning, Monitoring and Evaluation

International Monetary Fund (IMF)

Tobias Nybo Rasmussen, Resident Representative

Margaret Fitzgibbon, Senior Economist (written submission)

United Nations Development Program (UNDP)

Rui A Gomes, Policy Specialist, Head, Pro-poor Policy Unit

United Nations Fund for Population Activities (UNFPA)

Fredrick O Okwayo, Chief Technical Adviser-Census project

World Bank

Paul Keogh, Governance Analyst

Habib Rab, Country economist (written submission together with colleagues in the Development Data Group at the World Bank)

Annex III: Assessment of user needs

- 1 Do you use statistics in your work?
- 2 If yes, what type of statistics do you use?
- 3 Are they from the DNE or from other sources (if not from DNE then what are those sources)?
- 4 If they are available from the DNE, are they regular and on timely basis?
- 5 Are you satisfied with the statistics provided by the DNE in respect of their quality, accuracy, completeness, and level of dis-aggregation, presentation, and use of international standards?
- 6 What are your perceived future statistical requirements?
- 7 Do you have any priority on those statistical needs?
- 8 Do you think that these priority needs can be met by current context of DNE?
- 9 If not, do you have any suggestions to improve the capacity of the DNE?

Annex IV: Development Goals in National Development Plan – Timor-Leste

The NDP outlines 16 points as the main development goals.

- a) Improve the education, health and nutritional status of the people of East Timor, promote gender equality and the empowerment of women, improvement of economic, social and cultural wellbeing of the individuals, families and communities in East Timor; create human resources that are skilled and professional in accordance with the interests and talents in each field; and ensure equal opportunities to obtain work and effective utilization of labour.
- b) Transform the subsistence economy into a market economy, achieve food and security; protect the environment.
- c) Achieve and sustain rapid economic growth, utilizing to the optimums the country's human, financial and natural resources; with low inflation and increased employment adequate to cater to the growing labour force; a stronger banking and finance sector; maintain a competitive real exchange rate with more exports and less imports; create equitable business opportunities and increase incomes, especially in rural areas.
- d) Reduce poverty among women and men; establish a social safety net to reduce the burden on those in society who are unable to work/help themselves.
- e) Promote private initiatives, innovation and investment by creating enabling and supportive environments – including policies, legislations, reliable supplies and electricity, water, roads and transport, marketing and banking systems, and a competent, productive and disciplined labour force.
- f) Secure and maintain the unity, territorial integrity and sovereignty of the nation; create and maintain durable internal peace, security and stability prevent crime and involve the community in the reduction of crime; and make the country attractive and safe to citizens and visitors.
- g) Promote integral rural development to generate remunerative employment and sustainable livelihoods, increase rural incomes, reduce poverty, accelerate economic growth and reduce the gap between rural and urban areas.
- h) Promote an orderly development of cities and towns that are pleasant (e.g. with parks and playgrounds), not crowded, affordable and friendly to the environment.
- i) Achieve balanced regional development to reduce poverty, improve the lives of East Timorese in all regions, enhance and exploit complementarities between regions and agro-ecological areas, accelerated economic growth, and reduce regional disparities.
- j) Achieve growth in government (budget) revenues to improve financial independence; effectively manage oil and gas revenues and savings to benefit present and future generations; and ensure responsible, efficient and productive management of government (budget) expenditures to promote poverty reduction and growth.
- k) Develop and administer an effective, accessible and impartial system of justice, which is prompt and transparent, and in conformity with the positive values and cultural heritage of East Timor, create an effective and independent system to oversee, monitor and remedy the potential excesses of the government and its functionaries.

- l) Strengthen an already robust civil society, and create opportunities for its constructive engagement and participation in national life, and enhance the participation of citizens in public and national affairs.
- m) Foster a culture of respect for human rights (particularly for women, children and other vulnerable groups, including the poor) and the rule of law; create public trust in fair and just public administration; establish control mechanisms to monitor levels of responsibility amongst government officials and public authorities.
- n) Promote good governance through popular participation; a responsible and responsive government including a lean, efficient, effective, accountable and transparent civil service and effective, professional, non-political defence and police forces; a decentralized administration with simple and transparent norms, so that governance and public administration is closer to the people; a socially responsible private sector; transparent and accountable civil society organizations; and a responsible independent and effective media.
- o) Foster a robust multiparty democratic system; establish and sustain a system of checks and balances between the judiciary, the legislature and the executive (i.e. the Courts, the Parliament, the Council of Ministers and the President).
- p) Build and strengthen regional and international political, economic, scientific and cultural cooperation.

Annex V: The United Nations - Fundamental Principles of Official Statistics

Preamble

The Statistical Commission,

- bearing in mind that official statistical information is an essential basis for development in the economic, demographic, social and environmental fields and for mutual knowledge and trade among the States and peoples of the world,
- bearing in mind that the essential trust of the public in official statistical information depends to a large extent on respect for the fundamental values and principles which are the basis of any society which seeks to understand itself and to respect the rights of its members,
- bearing in mind that the quality of official statistics, and thus the quality of the information available to the Government, the economy and the public depends largely on the cooperation of citizens, enterprises, and other respondents in providing appropriate and reliable data needed for necessary statistical compilations and on the cooperation between users and producers of statistics in order to meet users' needs,
- recalling the efforts of governmental and non-governmental organizations active in statistics to establish standards and concepts to allow comparisons among countries,
- recalling also the International Statistical Institute Declaration of Professional Ethics,
- having expressed the opinion that resolution C (47), adopted by the Economic Commission for Europe on 15 April 1992, is of universal significance,
- noting that, at its eighth session, held in Bangkok in November 1993, the Working Group of Statistical Experts, assigned by the Committee on Statistics of the Economic and Social Commission for Asia and the Pacific to examine the Fundamental Principles, had agreed in principle to the ECE version and had emphasized that those principles were applicable to all nations,
- noting also that, at its eighth session, held at Addis Ababa in March 1994, the Joint Conference of African Planners, Statisticians and Demographers, considered that the Fundamental Principles of Official Statistics are of universal significance, adopts the present principles of official statistics:

[Principle 1.](#) *Official statistics provide an indispensable element in the information system of a democratic society, serving the Government, the economy and the public with data about the economic, demographic, social and environmental situation. To this end, official statistics that meet the test of practical utility are to be compiled and made available on an impartial basis by official statistical agencies to honor citizens' entitlement to public information.*

Principle 2. *To retain trust in official statistics, the statistical agencies need to decide according to strictly professional considerations, including scientific principles and professional ethics, on the methods and procedures for the collection, processing, storage and presentation of statistical data.*

Principle 3. *To facilitate a correct interpretation of the data, the statistical agencies are to present information according to scientific standards on the sources, methods and procedures of the statistics.*

Principle 4. *The statistical agencies are entitled to comment on erroneous interpretation and misuse of statistics.*

Principle 5. *Data for statistical purposes may be drawn from all types of sources, be they statistical surveys or administrative records. Statistical agencies are to choose the source with regard to quality, timeliness, costs and the burden on respondents.*

Principle 6. *Individual data collected by statistical agencies for statistical compilation, whether they refer to natural or legal persons, are to be strictly confidential and used exclusively for statistical purposes.*

Principle 7. *The laws, regulations and measures under which the statistical systems operate are to be made public.*

Principle 8. *Coordination among statistical agencies within countries is essential to achieve consistency and efficiency in the statistical system.*

Principle 9. *The use by statistical agencies in each country of international concepts, classifications and methods promotes the consistency and efficiency of statistical systems at all official levels.*

Principle 10. *Bilateral and multilateral cooperation in statistics contributes to the improvement of systems of official statistics in all countries.*

Annex VI: Duties of the Director - DNE

The director has overall responsibility for the quality of all outputs comprising official statistics produced in Timor-Leste. The director will:

- establish the planning framework for the DNE and the appropriate statistics advisory board structure for delivering planning and management functions, and propose appointments to this board;
- produce a detailed annual work plan for the DNE that reflects the needs of users and which brings together the key elements of the statistical work plan across government, and present this plan to the Minister of Finance;
- establish quality assurance processes for DNE including a program of reviews of key outputs at least every five years with assistance of external expertise;
- be responsible for definitions and methodology of official statistics within the framework of international agreements and conventions;
- set professional standards for official statistics, including standards for release arrangements and quality assessment;
- promote Timor-Leste and international co-operation on statistical matters and ensure an effective contribution is made to international statistical developments including work on definition and methodology;
- act as head of the DNE and be responsible for maintaining personnel and staff development functions to ensure the availability of skilled professional statistical staff across government;
- facilitate and promote the development of statistical methodologies, classifications and standards, and information systems;
- work with heads of ministries and departments to meet users' needs and promote comparable statistics across Timor-Leste;
- work with heads of ministries and departments to ensure effective sharing of statistical information between various ministries and departments;
- prepare an annual report on the performance of the DNE to the Minister of Finance.

Annex VII: Duties of the Statistics Advisory Board

The Statistics Advisory Board will:

- ensure that it is able to assess the needs of users;
- consider and comment to the Minister of Finance on the high-level program for official statistics in Timor-Leste, drawing on the views of users and suppliers, taking account of:
 - (i) the resources available for official statistics;
 - (ii) the compliance costs of providers of raw data; and
 - (iii) the management needs of organisations required to supply raw data.
- advise the Minister of Finance about the quality of official statistics, so that the minister can take these considerations into account in determining priorities and making decisions about the DNE;
- comment on the arrangements for promoting professional standards across all official statistics and the quality assurance process of the DNE outputs;
- review the need for statistical legislation every five years and report back to the minister;
- take account of compliance costs of responding to statistical enquiries and the need to secure value for money when commenting on the annual statistical work program of the DNE;
- submit an annual report to the Minister of Finance commenting on the annual report of the director DNE and on the way the board has fulfilled its terms of reference.

Annex VIII: Suggested format for a Corporate Plan 2010-2013 , DNE

The DNE's vision is to:

be recognised as a responsible organization that provides good quality, timely and reliable data about Timor-Leste.

The mission of the DNE's shall be to:

- Collect, process, analyse and disseminate statistical data and information;
- Co-ordinate and support government ministries, departments and other agencies within the system of official statistics of Timor-Leste;
- Take an active part in international statistical cooperation.

To meet these aims, the corporate plan recognizes that the DNE adheres to following operational values and principles:

- relevance – all statistical activities of the DNE shall aim at meeting data needs and expectation of users;
- integrity – the selection, compilation, presentation and dissemination shall be done in transparent manner and according to professional and ethical standards to reflect the public interest and allow for assessment of the performance of the government;
- quality – statistics produced and disseminated will be enhanced through training, research and reference to best international practice and professional expertise;
- confidentiality – compact with respondents for provision of accurate information on condition that such information shall be treated with strict confidentiality as required by the Statistics Act. Data will be released in such way that does not permit the identification of the respondents concerned;
- access for all – official statistics are a 'public good' for the benefit of all citizens of Timor-Leste. Everything will be done to ensure that official statistics can be accessed and used by the government, business community, civil society, research and training institutions and the wider public;
- efficiency – the DNE will strive to be efficient and to provide value for money in both its costs and its prices.

Strategic objectives

The strategic objectives are to:

- achieve organizational and institutional development by creating greater awareness about the importance of statistics through data dissemination workshops and websites, raising the profile of statistics by engaging in policy discussions, and strengthening the Statistics Act;
- develop human resources by recruiting, training and developing staff;
- develop more effective infrastructure by developing databases, developing and maintaining a central business register and geographical information system, and establishing effective management;
- make better and accurate data available by enhancing data quality, timeliness and accuracy, improving sampling, improving administrative data, national accounts data, employment, and prices data;

- improve data management, dissemination and access by improving data dissemination policy, building analytical skills, and initiating statistical research.

The DNE is planning to carry out the following four overarching priorities:

Priority 1: Impact The production of statistics is not an end in itself. It is important that users (and potential users) are aware that the statistics exist, can access them easily in the format needed, and can obtain advice and guidance to ensure that they are fit for their intended purpose. We are planning to hold a statistics seminar, focusing on the different sources and uses of statistics in Timor-Leste.

Priority 2: Building capacity We have finite resources and in order to extend our products and services in the way we would like we will need to improve the efficiency with which we operate and to stop or change activities that do not add value. We will review our internal structures to better support the new demands being placed upon us, and this will be a continual process to ensure we make the best use of our skills.

Priority 3: Maintaining standards During periods of change it is important not to lose sight of the need for our outputs and services to maintain their quality. We will be developing quality reporting and performance monitoring for all of our activities to ensure that they remain fit for purpose and that we are able to demonstrate continuous improvement.

Priority 4: Sustainability We are building a service to meet the needs of our customers for years to come and therefore need to focus, not just on short-term achievement, but also on longer-term development. Personal qualities such as flexibility, customer care and delivery management will need to sit alongside technical competence and we will continue to support the ongoing training and development of all of our staff across all of these areas.

Strategic activities

Strategic objectives define the principal development directions that are followed in various strategic areas, of which statistical data production is the most important. Other activities are: data dissemination, IT applications, staff development, finance and interaction with government ministries, departments and agencies that produce statistics for the country as well as with international organizations.

Statistical data production

The production of statistical data includes the following:

Economic statistics

National accounts, Annual business statistics (NDE survey), Annual crop statistics (DNE survey), Consumer price indices (DNE survey), Money and banking statistics (from BPA), Government finance statistics (from MOF),

Imports and exports (from the Customs), Visitors (from the Department of Police Immigration and the Ministry of Defense)

Social statistics

Health-related data (from the Ministry of Health), Education administrative statistics (from the Ministry of Education), Justice and prison administrative statistics (from the Ministry of Justice), Social services administrative data (from National Directorate of Social Administration), Labour statistics (from the National Directorate of Employment)

Data dissemination

User-oriented dissemination policy will be established and this policy will give priority to principal users such as the Ministry of Finance, Banking and Payment Authority and international agencies. It is planned to create dissemination data bases to support efficient data provision.

Information Technology policy

We plan to adopt the IT applications that allow dissemination of statistics from data bases in order to meet user demand speedily.

Staff

Good work organization is of crucial importance for efficient and rationalized statistical operations. Project-based work programs will be introduced in order to have better flexibility and monitoring of achievement against the agreed tasks. Employees will be given the opportunity of pursuing professional training and career advancement.

Annex IX: Sections of Statistical Law⁴⁴

The duties of the Direcção Nacional de Estatística are:

- (a) to collect, compile, analyze and publish statistical information relating to the commercial, industrial, financial, social, economic, environmental and general activities and condition of Timor-Leste and its people;
- (b) to collaborate with ministries and departments of government in the collection, compilation and publication of statistical information, including statistics derived from the activities of those ministries and departments;
- (c) to promote the avoidance of duplication in the information collected by ministries and departments of government; and
- (d) generally, to promote and develop integrated social and economic statistics pertaining to the whole of the government.

The duties of the director of the Direcção Nacional de Estatística are to:

- (a) advise on matters pertaining to statistical programs of the ministries and departments of the Government of Timor-Leste, and confer with those departments to that end;
- (b) decide on the manner in which data for statistical purposes are collected, how they are compiled and when and how statistics are published.
- (c) supervise generally the administration of this Act and control the operations and staff of the Direcção Nacional de Estatística.
- (d) represent the Direcção Nacional de Estatística in international statistical meetings or designate one or more staff members of the Direcção Nacional de Estatística to do so.

Work plan, release calendar and annual report

- (a) Three months before the beginning of each new fiscal year, the director shall submit to the Minister a work plan for the next fiscal year, setting out all major statistical collections and planned publications, as well as estimates of expenditure and revenues related to this;
- (b) At the beginning of each new fiscal year, the director shall publish a calendar of the most important releases of new statistics in that fiscal year;
- (c) Within three months after each fiscal year the director shall present a report to the Minister with regard to the activities of the Direcção Nacional de Estatística in the preceding fiscal year.

Statistics Advisory Board

- (a) There shall be a Statistics Advisory Board whose role is to:
 - (i) advise the director on statistical work plans; its advice shall be added when the work plan is submitted to the Minister;
 - (ii) comment on the annual report that the director submits to the Minister; its comments shall be added to this report;
 - (iii) advise the director of the DNE on any other statistical issues.
- (b) The board shall be chaired by the director of the DNE;
- (c) The board shall meet at least four times a year;

⁴⁴ Extracted from Annex 1 of the *UN Handbook of Statistical Organization*

- (d) The board may set up subcommittees and ad hoc advisory groups;
- (e) The board shall have at least 15 members, representing the most important users of official statistics, in particular government departments, the business community and academia;
- (f) Members of the board shall be appointed by the Minister, at the recommendation of the director for renewable terms of four years;
- (g) The board's rules of procedure shall be approved by the Minister.

Statistical personnel

The director may employ such commissioners, enumerators, agents or other persons as are necessary to collect such statistics and information as the director deems useful and in the public interest relating to such commercial, industrial, financial, social, economic and other activities as the director may determine, and the duties of the commissioners, enumerators, agents or other persons shall be those duties prescribed by the director.

The Minister who is politically responsible for official statistics has the power to recruit civil servants outside the Direcção Nacional de Estatística to perform statistical duties.

Contracted services

Any persons retained under contract to perform special services for the director pursuant to this Act and the employees and agents of those persons shall, for the purposes of this Act, be deemed to be persons employed under this Act while performing those services.

Sharing of information

The director may enter into an agreement with any ministry, department or municipal or other corporation for the sharing of information collected from a respondent. Such an agreement shall provide that:

- (a) the respondent be informed by notice that the information is being collected on behalf of the Direcção Nacional de Estatística and the department or corporation, as the case may be; and
- (b) where the respondent gives notice in writing to the director that the respondent objects to the sharing of the information by the Direcção Nacional de Estatística, the information not be shared with the ministry, department or corporation unless the ministry, department or corporation is authorized by law to require the respondent to provide that information.

Access to records

A person having the custody or charge of any documents or records that are maintained in any ministry, department or in any municipal office, corporation, business or organization, from which information sought in respect of the objects of this Act can be obtained or that would aid in the completion or correction of that information, shall grant access thereto for those purposes to a person authorized by the director to obtain that information or aid in the completion or correction of that information.

False or unlawful information

Every person who, without lawful excuse,

- (a) refuses or neglects to answer, or willfully answers falsely, any question requisite for obtaining any information sought in respect of the objects of this Act or pertinent thereto that has been asked of him by any person employed or deemed to be employed under this Act, or
- (b) refuses or neglects to furnish any information or to fill in to the best of his knowledge and belief any schedule or form that the person has been required to fill in, and to return the same when and as required of him pursuant to this Act, or knowingly gives false or misleading information or practices any other deception there under is, for every refusal or neglect, or false answer or deception, guilty of an offence and liable on summary conviction to a fine not exceeding \$xxx or to imprisonment for a term not exceeding \$xxx or to both.

Refusal to grant access to records

Every person,

- (a) who, having the custody or charge of any documents or records that are maintained in any department or in any municipal office, corporation, business or organization, from which information sought in respect of the objects of this Act can be obtained or that would aid in the completion or correction of the information, refuses or neglects to grant access to the information to any person authorized for the purpose by the director, or
- (b) who otherwise in any way willfully obstructs or seeks to obstruct any person employed in the execution of any duty under this Act is guilty of an offence and liable on summary conviction to a fine not exceeding \$xxx or to imprisonment for a term not exceeding \$ xxx or to both.

Forms for statistical data

Instead of or in addition to using agents or employees for the collection of statistics under this Act, the director may prescribe that a form be sent to a person from whom information authorized to be obtained under this Act is sought. A person to whom such a form is sent shall answer the inquiries thereon and return the form and answers to the Direcção Nacional de Estatística properly certified as accurate, not later than the time prescribed therefore and indicated on the form or not later than such extended time as may be allowed in the discretion of the director.

Returns under Income Tax Act

For the purposes of this Act

- (a) the Director or any person authorized by the director to do so may inspect and have access to any returns, certificates, statements, documents or other records obtained on behalf of the Minister of National Revenue for the purposes of the Income Tax Act, and
- (b) the Minister of National Revenue shall cause the returns, certificates, statements, documents, or other records to be made available to the

director or person authorized by the director to inspect the records.

Return of exports and imports from Customs

For the purposes of this Act, the Minister of National Revenue shall cause to be sent to the Director returns of imports and exports into and from Timor-Leste and details of the means of transportation used therefore.

Population census

- (a) A census of population of Timor-Leste shall be taken by the Direcção Nacional de Estatística in the month of in the year, and every tenth year thereafter.
- (b) The census of population shall be taken in such a manner as to ensure that counts of the population are provided for each district of Timor-Leste, as constituted at the time of each census of population.

Agriculture Census

A census of agriculture of Timor-Leste shall be taken by the Direcção Nacional de Estatística in the year 2011 and in every tenth year thereafter.

Data confidentiality

Prohibition against divulging information

Except for the purpose of communicating information in accordance with any conditions of an agreement made under this Act and except for the purposes of a prosecution under this Act but subject to this section:

- (a) no person, other than a person employed or deemed to be employed and sworn in under this Act, shall be permitted to examine any identifiable individual return made for the purposes of this Act; and
- (b) no person who has been sworn in under this Act shall disclose or knowingly cause to be disclosed, by any means, any information obtained under this Act in such a manner that it is possible from the disclosure to relate the particulars obtained from any individual return to any identifiable individual person, business or organization.

Oath of office

The Director and every person employed or deemed to be employed pursuant to this Act shall, before entering on his duties, take and subscribe the following oath or solemn affirmation:

I,, do solemnly swear (or affirm) that I will faithfully and honestly fulfill my duties as an employee of the Direcção Nacional de Estatística in conformity with the requirements of the Statistics Act, and of all rules and instructions there under and that I will not without due authority in that behalf disclose or make known any matter or thing that comes to my knowledge by reason of my employment.

Where a person retained under contract to perform special services for the director pursuant to this Act is a legal person, the chief executive officer thereof and such

other officers, employees and agents thereof as are used to perform the special services shall, before entering on any of the duties required under the contract, take and subscribe the following oath or solemn affirmation:

I,, do solemnly swear (or affirm) that I will faithfully and honestly fulfill my duties as an employee of (name legal person) in respect of my employment in carrying out in conformity with the requirements of the Statistics Act, and of all rules and instructions there under and that I will not without due authority in that behalf disclose or make known any matter or thing that comes to my knowledge by reason of my employment as described herein.

Information is privileged

Except for the purposes of a prosecution under this Act, any return made to the Direcção Nacional de Estatística pursuant to this Act and any copy of the return in the possession of the respondent is privileged and shall not be used as evidence in any proceedings whatever. No person sworn under this Act shall by an order of any court, tribunal or other body be required in any proceedings whatever to give oral testimony or to produce any return, document or record with respect to any information obtained in the course of administering this Act.

Disclosing secret information

Every person who, after taking the oath under this Act:

- (a) willfully discloses or divulges directly or indirectly to any person not entitled under this Act to receive the same any information obtained by him in the course of his employment that might exert an influence on or affect the market value of any stocks, bonds or other security or any product or article, or
- (b) uses any information described in paragraph (a) for the purpose of speculating in any stocks, bonds or other security or any product or article is guilty of an offence and liable on summary conviction to a fine not exceeding or to imprisonment for a term not exceedingor to both.

Annex X: Key statistical outputs

	Source		Comments
	Administrative records	Surveys and Censuses	
Economic Statistics			
National Accounts			Derived
Household expenditure		x	Income and Expenditure survey
Government expenditure	x		From MoF
Employment and income		x	Annual Business Survey
Agriculture production		x	Annual Crop Survey
Retail sales		x	Annual Business Survey
Tourism	x		
Prices Statistics			
Consumer Price Index (CPI)		x	Price collection
Producer Price Indexes (PPI)		x	Price collection
Employment		x	Labour Force Survey
Unemployment		x	Labour Force Survey
Fiscal Sector Statistics			
Government finance	x		
Government debt	x		
Monetary and Financial Statistics	x	x	Survey by BPA
External Sector Statistics			
Balance of Payments	x	x	Survey by BPA
Merchandise trade	x		
International trade in services	x	x	Survey by BPA
Social and Demographic Statistics			
Population		x	Population census
Births, deaths	x		
Mortality		x	
Health	x	x	Demographic Health Survey
Education			
Enrolments	x		
Literacy		x	Living standard survey
Poverty measures		x	Living standard survey

Annex XI: Immediate action plan for next two years

Data collection/processing Activity	2009				2010				Responsibility
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Annual GDP estimates	(capacity building)								Adviser/DNE
Business Activity Survey	Capacity building								Adviser/DNE
Agriculture Production Survey	Capacity building								Adviser/DNE
CPI - rebase									DNE
Visitor statistics	Capacity building								Police – immigration MoF
Government finance statistics									
External trade data									DNE/Customs
Monetary statistics									BPA
Balance of payments data									BPA
Electricity and water production	Capacity building								Ele-Timor/Water
Health statistics	Capacity building								MoH
Education statistics	Capacity building								MoE
Labour statistics	Capacity building								MoSS
Crime statistics	Capacity building								MoJ
Statistical publications									
Quarterly Statistical Indicators	Capacity building								DNE
Statistical Year Book	Capacity building								DNE

Annex XII: Human resources development plan

Human resources

Statistical processing and analysis require fairly high technical expertise. Unlike other areas of government it is not usually possible to find someone with the required knowledge and skills to fill positions in the statistics office in Timor-Leste. As the DNE becomes more sophisticated in its statistical products, especially after adopting the work program in the Statistical Work Plan, there will be need for staff with skills beyond what currently they have.

Although the responsibility for some statistical activities, such as banking, balance of payments, government finance, health and education will fall on other government ministries and agencies, the DNE still needs to maintain a coordinating role to ensure the quality and consistency of these administrative data.

Strategy for human resource management

The strategy for human resource management is to be based on the following:

- designing a program to disengage employees demonstrating less potential and low aptitude for further training from the statistics workforce through deployment to other government departments and ministries;
- improving the proportion of professional staff from the present 15 per cent to 50 per cent within the next three years by hiring two new graduates every year ;
- training staff in up-to-date skills necessary for their job;
- developing long-term career potential through career broadening assignments; and
- creating a positive work environment which motivates and promotes productivity.

Basic statistical training

Staff training will be a major component of the long-term reform proposed in the SWP. The DNE should develop a formal training program that identifies the need for training in key statistical skills and methods. To meet this need, the DNE should contact either National University of Timor-Leste or Dili Institute of Technology to find out whether they are interested in mounting an in-house training program for statistical staff employed at the DNE. It would be useful to contact the Royal Statistical Society (RSS) of the United Kingdom in developing the course materials so that the course should follow the RSS syllabus for its Ordinary Certificate and be externally examined by the RSS. The RSS Ordinary Certificate in statistics is a widely available course by statistical clerks throughout the world and the course concentrates very much on the practical aspects of data collection and simple analyses⁴⁵.

⁴⁵ Alternatively, the DNE may try placing a few staff members in the Institute of Statistics Science in Indonesia where statistics is the main subject in the curriculum.

Further general skills, such as subject specific material, are also required by the DNE staff in addition to the knowledge gained from the RSS course. These key skills are effective communication, problem solving, improving their own learning and performance, working with others, information technology, and application of numbers.

The Institutional Development Manager, who will assist the DNE director to implement the SWP initiatives, or a leading local management company should prepare a three-year program to train staff for the challenges ahead. The three year training program, besides in-house training, should draw attention to specific specialized statistical analysis training that can be obtained through the following international organizations:

- ILO - labour market analysis;
- WHO -health statistical analysis;
- UNESCO - education statistical analysis;
- US Bureau of the Census - census analysis; and
- IMF - economic analysis and national accounts.

Employees should discuss their training needs, both for their current jobs and for planned career moves within the DNE, during their annual performance review. An annual performance review is a frank, open, nonthreatening discussion on work satisfaction and performance. Staff should also have the opportunity to discuss longer-range training to meet career goals in biennial interview with the director.

Two employees should be sent overseas for long duration training courses on survey management and data analysis. This training will address the major technical, professional and management needs of the DNE.

New positions

The future organization of the DNE includes an additional layer of professional statisticians, as section heads, just below the director. There is also a need to create the following new positions:

- An economic statistician to handle national accounts. This position will require someone with a degree in economics or statistics so that he/she can start working immediately with the international consultant on national accounts;
- Two statistical officers should be recruited soon so that they are available when international (or domestic) consultants are recruited to conduct the annual business survey and the annual agricultural production survey in 2009. It is important that implementation of these two surveys are launched immediately so that the results will be available by December 2009 for the national accounts compilation process to begin;
- an additional statistician is required to manage the activities of IT, world wide web development, dissemination of statistics and public relations.

Human resource costs

The number of staff by salary grade and their salary costs are shown in Table 1. Wages for temporary staff hired to help with surveys processing and interviewing, are generally budgeted for under donor-funded projects such as the Demographic Health Survey and the Population Census.

Table 1 Total number of staff by grade and cost 2009-2019.

Year	Grade						Total
	2	3	4	5	6	7	
2009	3	3	13	0	0	0	19
2010	3	3	14	2	1	0	26
2011	3	3	16	4	1	0	28
2012	3	3	20	4	1	0	30
2013	3	3	27	4	0	1	32
2014	2	2	29	4	0	1	34
2015	2	2	29	4	0	1	36
2016	2	2	29	4	0	1	38
2017	2	2	29	4	0	1	40
2018	2	2	29	4	0	1	40
2019	2	2	29	4	0	1	40
	Salary cost - 2009 Constant US \$)						
2009	4,500	5,535	29,016	0	0	0	39,051
2010	4,500	5,535	31,248	5,789	3,671	0	50,743
2011	4,500	5,535	35,712	11,578	3,671	0	60,995
2012	4,500	5,535	44,640	11,578	3,671	0	69,923
2013	4,500	5,535	60,264	11,578	0	5,021	86,898
2014	3,000	3,690	64,728	11,578	0	5,021	88,017
2015	3,000	3,690	64,728	11,578	0	5,021	88,017
2016	3,000	3,690	64,728	11,578	0	5,021	88,017
2017	3,000	3,690	64,728	11,578	0	5,021	88,017
2018	3,000	3,690	64,728	11,578	0	5,021	88,017
2019	3,000	3,690	64,728	11,578	0	5,021	88,017

Annex XIII: Detailed financing of SWP activities 2010-19

(in constant 2009 US Dollars '000)

Activity	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
Direcção Nacional de Estatística											
Existing statistical activities	204	226	247	276	283	283	283	293	293	293	2,678
Statistical legislation	44	0	0	0	0	0	0	0	0	0	44
Institutional Development Adviser	154	154	0	0	0	0	0	0	0	0	308
National Accounts capacity building	154	154	50	0	0	0	0	0	0	0	358
Statistical skills development	34	25	25	0	0	0	0	0	0	0	84
Business Activity Survey	73	2	2	2	2	2	0	0	0	0	83
Agricultural Production Survey Producer & wholesale price indexes	7,373	20	20	20	20	20	0	0	0	0	8,373
CPI re-base and other indexes	0	0	73	0	0	0	0	0	0	0	73
IT /dissemination	73	0	0	0	0	0	0	0	0	0	73
Graduate courses - local (DIT)***	2	2	2	2	2	0	0	0	0	0	10
Labour Force Survey	0	0	1,500	0	0	0	0	0	0	0	1,500
Population Census	4,000	0	0	0	0	0	0	0	0	0	4,000
Household Expenditure Survey	0	2,000	0	0	0	0	0	0	0	0	2,000
staff and other costs											0
Banking & Payment Authority											
Balance of Payments data	0	0	0	0	0	0	0	0	0	0	0
Monetary and financial statistics	0	0	0	0	0	0	0	0	0	0	0
Ministry of Finance	0	0	0	0	0	0	0	0	0	0	0
Government finance statistics	0	0	0	0	0	0	0	0	0	0	0
Taxation statistics	0	0	0	0	0	0	0	0	0	0	0
Ministry of Agriculture											
Census of agriculture	0	0	0	0	0	3,500	0	0	0	0	3,500
Annual data collection	3	1	1	2	1	1	2	1	1	1	14
Ministry of Health											
Demographic Health Survey	1,300	0	0	0	0	0	0	0	0	0	1,300
Admin data (HMIS)	3	1	1	2	1	1	2	1	1	1	14
Ministry of Education											
Admin data (EMIS)	3	1	1	2	1	1	2	1	1	1	14
Ministry of Trade and Tourism											
Manufacturing and tourism data	3	1	1	2	1	1	2	1	1	1	14
Department of Customs											
External trade data	4	1	1	2	1	1	2	1	1	1	15
Other Agencies and Ministries Visitor statistics –											
Police											
Immigration	4	2	2	2	2	2	2	2	2	2	22
Criminal data - Ministry of Justice	4	2	2	2	2	2	2	2	2	2	22
Employ data - Dir of Employment	4	2	2	2	2	2	2	2	2	2	22
Post and telecom - data	4	2	2	2	2	2	2	2	2	2	22
Electricity and water data	4	2	2	2	2	2	2	2	2	2	22
Total financing required	6,220	2,580	1,916	302	304	3,802	303	308	308	308	16,348
DNE - core budget	437	440	447	450	450	450	450	450	450	450	4,474
Additional financing required	5,783	2,140	1,469	0	0	3,352	0	0	0	0	11,874

Annex XIV: Business Activity Survey

Letter for business activity survey

DNE letter head with logo

Address Label

Business Activity Survey (BAS) 2008 and 2009

This survey is conducted for the compilation of the National Accounts for Timor-Leste and is essential to establish a benchmark baseline estimates for subsequent monitoring of the state of the economy. The main output of the survey would be estimates of Gross Domestic Product (GDP) for the calendar year 2009.

The completion of this form is compulsory under the Statistics Degree Law 2003 (article 5), which protects the confidentiality of its contents. Staff of the DNE are not permitted under the law to pass any details on this form to others in government or elsewhere. Furthermore, the Act specifies that the figures for your company or business will not be identifiable in the published statistics, unless agreed specially with you.

One of our staff will call to collect this form and if necessary assist you in its completion within the next two months. Alternatively, you can complete the form yourself and return it to the office.

If you have any comments and suggestions, please provide these on our survey forms. Your comments and suggestions are a valuable source of information for improvements.

The DNE is grateful for the cooperation of respondents in returning their completed forms promptly and we look forward to your continued support.

Elias Dos Ferreira
Acting Director DNE

For official use only

Business/establishment ID Number		Industry code	
Form dispatched		District/sub-district	
Form received			

Statistics Law 2003: confidential

Is this establishment part of a larger enterprise? Yes/no If yes, give name and address of the enterprise:

.....

Ownership and legal status:

Ownership status (tick one)	
Public	<input type="checkbox"/>
Private	<input type="checkbox"/>
Joint	<input type="checkbox"/>
Other: specify	<input type="checkbox"/>

Legal status (tick one)	
Sole proprietorship	<input type="checkbox"/>
Partnership	<input type="checkbox"/>
Limited liability	<input type="checkbox"/>
Other: specify	<input type="checkbox"/>

Your main business activity: State in detail the main activity (ies) of the establishment.

Employment (number of employees)

	Timorese	Foreigners	Total
Full-time			
Part-time			
Casual			
Total			
Of which: Male			
Female			

Wage bill (please include total payments made to the above employees including wages, allowances, bonuses and other benefits)

	Timorese \$	Foreigners \$	Total \$
Full-time			
Part-time			

Casual			
Total			
Of which: Male			
Female			

Details of your business activities Capital expenditure

AGGREGATE	ITEMS	CODE	2008 \$	2009 \$
Sales (A1)	Income from main activity	301		
	+ Other operating income	302		
Gross output (A2)	Sales	A1		
	-Purchases for resale	411		
	+ Changes in inventories of finished goods	A6		
	+ Changes in inventories of work in progress	A5		
	+ Capitalised wages and salaries, and purchases of materials for capital work done by own employees	704		
Intermediate inputs (A3)	Supplies and materials	403		
	+ Transport	4041		
	+ Communication	4042		
	+ Electricity and water	405		
	+ Rent paid on land, buildings and equipment	407		
	+ Other expenses	410		
	-Changes in inventories of raw materials	A4		
Changes in inventories of raw materials (A4)	Closing inventories of raw materials -Opening inventories of raw materials	602 502		
Changes in inventories of work in progress (A5)	Closing inventories of work in progress -Opening inventories of work in progress	603 503		

Changes in inventories of finished goods (A6)	Closing inventories of finished goods -Opening inventories of finished goods	601 501		
---	--	------------	--	--

Total changes in inventories (A7)	Changes in inventories of raw materials	A4		
	+ Changes in inventories of work in progress	A5		
	+ Changes in inventories of finished goods	A6		
Value added (A8)	Gross output	A2		
	-Intermediate inputs	A3		
Compensation of employees (A9)	Total compensation of employees	220		
Taxes on production and imports (A10)	Customs duties	408		
	+ Excise taxes	4061		
	+ Business licences and other indirect taxes	4062		
Gross operating surplus (A11)	Value added	A8		
	-Compensation of employees	A9		
	-Taxes on production and imports	A10		
Derived profit or loss (A12)	Gross operating surplus	A11		
	+ Interest income	310		
	+ All other income	312		
	-Depreciation allowances	409		
	-Interest paid	401		
	-Bad and doubtful debts	414		

Capital formation (B2)	+ Purchase of land (net of sales)	705		
	+ Direct imports of capital goods	706		

	+ Purchase of other fixed assets (net of sales)	707		
	+ Capitalised wages and salaries, and purchases of materials for capital work done by own employees	704		

Your comments/suggestions

Thank you for your corporation in completing this form. Please return the completed form to:

Elias Dos Ferreira
Acting director
DNE

Please sign this form and provide your name and contact details in case we have any queries regarding this form.

Name:	Telephone no:
Signature:	Facsimile No:

Notes to pages:

Income - includes receipts recorded during the calendar year (January to December) from all types of business activities engaged in by your establishment, including commissions and sales tax collected on behalf of the government.

Value added – This is the concept used in national accounts as your establishment's contribution to GDP.

Other operating income – includes grants/assistance from government or any other sources plus any other income not shown in 301.

Depreciation – should be based on the market value of the fixed assets or normal commercial accounting convention adopted by the establishment.

Purchase of fixed assets - include purchase of vehicles, other equipment and computer and telecommunication including software less sales.

Capital work done on own account – includes the costs of construction work undertaken by the staff of your company directly.

Press release Business Activity Survey 2009

The DNE announced today that it is launching its annual Business Activity Survey (BAS). The survey canvasses about 2000 businesses and organizations that operate in Timor-Leste.

The aim of this survey is to collect key economic information from a broad range of businesses and organizations that buy or sell goods and services. Examples include: hotels, restaurants, retail stores, handicraft shops, and churches, just to name a few.

All establishments contribute to the economic growth of the country regardless of how small the operation. The support of the business and social community is vital to develop reliable and accurate data on the economy. Businesses or organizations with five or more employees are automatically selected to participate and businesses and organizations with less than five employees are randomly selected to participate.

The information collected will help to measure the growth of the economy accurately and develop a range of statistics used in comparing the economic performance of the industry. It is for this reason that reliable and relevant economic data will enhance the quality of decision making both in the public and private sectors.

The survey is being conducted under the Statistics Act 2003, which guarantees that all information provided by survey respondents will be kept confidential.

The survey will take place during the months of June and August 2009.

Elias Dos Ferreira

Acting Director DNE

Annex XV: A system for collection of village/sub-district statistics

The planning initiatives formulated in the national development plan for decentralizing and delivering effective services in rural areas will require various types of socio-economic indicator statistics at a village/sub-district level. This process is currently constrained by very limited capacity and paucity of data at a district level, so that it is difficult to make informed decisions.

Data on infrastructure and socio-economic condition at village-level important in Timor-Leste in order to create appropriate policy at sub-district levels. These data were not able to be collected from household-level based surveys.

At present, different types of government ministries and departments are functioning in various districts. Some district-level data are available in branch offices of Health, Education and Agriculture ministries; however, major data gaps still exist in many of the sectors and sub-sectors of local economies. Details of major agricultural crops, inland fisheries, and livestock numbers are not available or are occasionally collected at a disaggregate level. Data on employment and unemployment, informal money lending, micro-businesses, marketing channels for distribution of local produce and poverty statistics in the village are not collected, except in the decennial census of population or living standard surveys.

In order to cater for the needs of decentralized planning programs, the Directorate of National statistics (DNE) must develop a system for collecting village/sub-district level statistics with the help of newly-appointed district statistics officers.

The objectives of collecting village/sub-district level data are to:

- provide information on the potential, facilities, and development of socio-economic condition and infrastructure available at the lowest administrative level;
- provide a database for sub-district - spatial planning;
- provide core data for composing small area statistics;
- identify poor villages for the implementation of relief assistance programs;
- provide initial information for geographical mapping and preparing statistical summaries such as village monographs.

Types of data to be collected:

- Area and production of crops;
- Livestock number and related products;
- Trade in livestock, fishery, forestry and other agricultural products;
- Fisheries, particularly inland;
- Forestry (including non-wood products) statistics;
- Production and consumption of food;
- Agricultural inputs (machinery, seed, feed, fertilizers and pesticides);
- Commodity prices;
- Labor force participating in agricultural activities;
- Rural facilities including trading and marketing facilities, livestock market, slaughter house, fish landings etc;
- Rural income sources;

- Education and health indicators;
- Type of transportation and machinery used - motorcycles, cars, boats including agricultural machinery such as tractors, rice hullers etc.;
- Poverty statistics at village level;
- Data on traditional medicine particularly among remote villages;
- Data on female-headed households;
- Details of population, births, deaths and details of children etc.

The statistics officers attached to the district offices will be responsible for collection of village/sub-district level data from various secondary sources. Tabulation will be done at the district office and summary data for the district will be sent to the DNE for aggregation and publication.

The District Statistical Committee (DSC)

There is at present no system in place capable of collecting and providing statistics sufficient for planning purposes. In order to obtain accurate data at village/sub-district level it is necessary to collect information with the participation and involvement of local personnel.

The DNE, with assistance of line ministries, should set up a district statistical committee in each district. The director of territorial administration in each district office can act as the chairman of the DSC. The director of district health services may be designated as vice chairman. The district statistical officer can be the convener. Persons from the other ministries and departments in the district such as education, land and property, agriculture and customs should be represented on the committee.

It will be the responsibility of the committee to identify and assess data requirements in consultation with line departments and the DNE. Data collected from the village/sub-district/district have to be passed on to the DNE for aggregation and scrutiny.

Recommendations

1. There should be a co-ordinated program for the effective collection and flow of information for all levels of district planning, viz. village, subdistrict, district and national.
2. In order for data collection to succeed there should be mechanism for public participation.
3. Requirements for statistical information has to be identified well in advance so that, with proper and effective planning, the necessary data are available as and when required.
4. Adequate training in methods of data collection and storage techniques should be provided both to the officials of the line departments who will be engaged in the collection of data as well as to other village/subdistrict personnel will be involved.

Annex XVI: Adviser's assessment of the current statistics system in Timor-Leste

Legal framework

There is a legal framework but it has a number of limitations. For example, the Statistics Act has not stipulated that the statistics agency was established to ensure that a broad range of information is publicly available. Duties and responsibilities of the director of the Direcção Nacional de Estatística (DNE) and his role as the coordinator of statistical activities of government ministries, departments and other agencies are not stated in the Act.

Administrative structure

Timor-Leste has an office for processing and dissemination of general statistics and a coordinating authority for collection of data from line ministries, departments and other institutions.

Strategic framework

There is no operational or applied strategy for a medium and long- term program for national statistical development

Dialogue with data users

There is no established statistical advisory body in the country for promoting dialogue between statistical producers and users such as ministries, BPA, MoF, representative of academic environment, private sector representatives, media and donors.

International classifications

There is no standards and methodology section in the DNE to promote the adoption and use of internationally accepted classifications systems such as ISIC (international standard industrial classification), CPC (central product classification), SITC (standard international trade classification) or HS (harmonized system classification).

Availability, coverage and reporting of major statistics

Category	Components	Periodicity GDDS	Periodicity Timor-Leste	Remarks
National accounts	GDP at current and in real terms, expenditure with disaggregated components	Q	N	A set of basic estimates for 2000-2003 was published in 2004
Crop and industrial production indexes	Industrial primary commodity, or sector	Q	N	
Labour force statistics	Employment, unemployment, wages/earnings	M or Q	N	
Price indexes	Consumer, producer and wholesale prices	M	Q	DNE releases only consumer price indexes
Government financial statistics	Revenue, expenditure	M	M	Prepared by the Ministry of Finance
Banking statistics	Money supply, credit, liquidity, interest rates, exchange rates, banking, foreign assets	M	Q	Published by BPA
Balance of payments	Current account, capital account, financial account	Q	Q	Published by BPA
International reserves	Total official reserves, IMF reserve position, SDRs	Q	na	na
Merchandise trade	Merchandise imports and exports	M	Q	DNE
International investment position	Assets and liabilities by direct, portfolio and other investment	A	na	na
External debt	Debt for the general government	Q	na	na
Population	Key distribution by age and sex	Every 5 year	Census 2004	Preparation for 2010 census is underway
Education	Level by type, private and public	A	EMIS being developed	Data available for some years
Health	Financial, human by level and type	A	HMIS being developed	
Poverty	Per capita income and consumption	Irregular	2007 TLSLS survey	

M = Monthly, Q= Quarterly, A = Annually, N = not published, na = not available

Regular publications

Apart from published CPI and trade statistics, there are no regular publications from the DNE. Even one-off publications such as GDP estimates are not based on any business survey or alternative good data sources, only on crude 'guesstimates'. The position on publications of data compared with general data dissemination standards is shown above.

The Ministry of Finance publishes fiscal data in the budget document and actual expenditure and revenue records are posted on the Ministry's website. Banking statistics are published in the quarterly economic bulletin issued by the Banking and Payment Authority and balance of payments data are released annually by the same institution.

Education, health and other administrative statistics are being collected but have never been published on a regular basis.

Funding of the DNE

The annual budget allocation is apportioned to two components: salaries and wages for staff, and materials and goods. Additional external funding is given to undertake specific surveys and censuses. There is no budgetary allocation to other ministries or departments specifically for funding statistical work.

Staffing of the DNE

The DNE has 18 permanent and 45 temporary employees. A significant proportion of them lack professional skills and there are no formal regular training programs for staff. There are no designated statistics staff seconded to line ministries or departments.

Information technology

A website has been developed by the UNFPA but it is not operational due to lack of human resources and technical know-how to update and maintain it. There are sufficient PCs but on-line access to URL is restricted. Data collection and initial processing are done manually and most data dissemination is by hard copy (paper).

International cooperation and external assistance

Since independence the DNE has received technical assistance from various international organizations, including the World Bank, IMF, UNDP, UNFPA, UNICEF etc. Staff have also been on training or study tours abroad during the last few years. The DNE has concentrated on field work and data entry for various surveys promoted and funded by external aid organizations.

Data quality

There is no in-house capacity to monitor data quality.

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