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Headline: Government of Timor-Leste through the Ministry of State Administration signs agreement with the Government of Australia to support PNDS.

On Wednesday 7 May 2014, the Ministry of State Administration representing the government of Timor-Leste, will sign a Subsidiary Arrangement with the Government of Australia regarding continued support to PNDS in Timor-Leste.

Programa Nasionál Dezenvolvimentu Suku (PNDS) is a government program led by the Ministry of State Administration and Ministry of Finance, working together with other ministries, that enables communities to choose, design and build small scale infrastructure projects in their village. The Timor-Leste state budget for PNDS is US\$294.3 million over eight years, based on government Resolution 1/2012.

PNDS is being implemented in phases, beginning with a pilot phase of 30 villages that started in May 2013. The first phase with 149 villages began in October 2013, the second phase with 91 villages started in February 2014, and after the third phase of 202 villages starts in August 2014 then PNDS will be active in every village in the country.

Implementation of the PNDS program has been successful so far. The pilot projects have mostly completed the construction of their chosen infrastructure and are holding their final accountability meetings. The villages in phase one have chosen their projects, made designs and are now signing their contracts. Villages in phase two have chosen their PNDS village management teams who are now undergoing training from PNDS sub-district facilitators to develop their skills in financial management and project planning.

The Government of Australia has been working together with the Government of Timor-Leste for many years, including supporting the creation of PNDS from 2011 to 2014.

During this time Australian support has included:

- Australian-funded advisers working with the Ministry of State Administration, Ministry of
  Finance and Civil Service Commission to develop and strengthen the corporate systems that
  allow PNDS to get grants to villages and make sure the program works. This includes
  financial systems, human resource management, work planning, logistics and information
  management.
- In 2013, working with Timorese training organisations, Australia trained over 400 people, many of whom now work as social, technical and financial sub-district facilitators for PNDS.
   In 2014 Australia is providing mentoring and training to PNDS staff in all districts to support their work with communities.
- Australia and Timor-Leste are also working together to build a monitoring and evaluation system for PNDS. Australia is funding The World Bank and The Asia Foundation to collect information about PNDS that can help the Government make future decisions in order to continually improve the program over time.

Building on the successful implementation of PNDS so far, the Australian Government will commit to continuing their support to PNDS until 2017. The total value of this support is expected to be around AU\$45 million. The agreement to be signed today also opens the possibility of further support to PNDS until 2020, depending on approval from the Australian Parliament.