



Integrated Country Strategy

Timor-Leste

FOR PUBLIC RELEASE

Approved: June 3, 2022

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1. Chief of Mission Priorities

Our partnership with Timor-Leste – a promising, young democracy committed to shared values of human rights, fundamental freedoms, and international norms – is essential to advancing Mission objectives. Through our bilateral cooperation, foreign assistance, and public diplomacy, the United States is focused on strengthening democratic institutions, deepening our enduring partnership, enhancing good governance and inclusion, and expanding economic prosperity, opportunity, and engagement.

Timor-Leste views the United States favorably, with recognition and appreciation for U.S. support that creates opportunities to grow our partnership. This includes prioritizing our security relationship, such as the U.S. Navy Seabees' construction of over 100 schools and clinics since 2009 and the joint rehabilitation of Baucau Airfield to help the Timorese government better monitor its territory, respond to natural disasters, and promote economic development. Over the next five years, the Millennium Challenge Corporation's (MCC) compact with Timor-Leste will advance the water and sanitation capabilities in the capital city Dili, and it will improve the quality of secondary education. The compact will augment education, community economic development, and health priorities advanced for many years by the Peace Corps in Timor-Leste. Also, USAID has provided more than \$250 million in development assistance to Timor-Leste, since 2001. USAID funding supports Timor-Leste in its efforts to build a more prosperous, self-reliant, healthy, and democratic country through programs that foster inclusive and sustainable economic growth, especially in the agriculture and tourism sectors; improves the health of the Timorese people, particularly women and children; and strengthens the foundations of good governance – as highlighted in Timor-Leste's Strategic Development Plan 2013-2030.

Timor-Leste restored its independence in 2002 after 24 years of brutal Indonesian occupation and a nearly 500-year Portuguese colonial history. Despite a long road to self-determination, its success is remarkable by all standards, and it has become a democratic beacon in Southeast Asia. It is a stable, vibrant nation whose democratic gains are highlighted by fair and free elections, most recently in 2017 and 2018. The country is also committed to many shared

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values of human rights and international norms, and Timor-Leste enjoys the highest press freedom-index ranking in Southeast Asia.

Timor-Leste has embraced an ambitious development agenda to create infrastructure and upgrade human capital, although political wrangling in recent years set back progress. With political and budgetary stability restored in mid-2020, the government is focused on economic growth and post-COVID-19 recovery. The government welcomes foreign investment in key economic sectors, and it has shown a willingness to enact reforms to meet the needs of its people. However, major challenges to long-term stability remain, including a business-enabling environment that is lowly ranked for difficulty, corruption, and poor contract enforcement; an educationally and experientially constrained labor force; high levels of gender-based violence and food insecurity; a declining sovereign wealth fund; natural disasters and environmental conditions exacerbated by climate change; and an underemployed population that demands greater economic opportunity and political participation. Timor-Leste also needs to improve its efforts to effectively combat trafficking in persons. Having been assessed as a Tier 2 Watch List country for the 2020 and 2021 reporting periods, Timor-Leste will need to routinize its data collection and identification, investigation, and prosecution of trafficking cases.

Despite the many challenges, Timor-Leste has many strengths. Civil society advances public discourse, and well-educated Timorese citizens actively contribute to the country's political scene. Educational enrollment and attainment in Timor-Leste are improving, while commercial and cross-cultural ties between the United States and Timor-Leste are strengthening.

Harnessing our unmatched exchange, scholarship, and professional development opportunities, including premier educational and exchange programs like Fulbright and the Young Southeast Asian Leaders Initiative, we will continue to expand our public diplomacy engagement to deepen the U.S.-Timorese partnership and compete for influence. Timor-Leste is also proud of its role as a post-conflict democracy, and the country is a leader within the G7+ and Community of Portuguese Language Countries. Timor-Leste seeks to accede to ASEAN, which the United States supports, to strengthen regional integration and expand its international presence, including in the UN system. The government has announced plans to run for the UN Human

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Rights Council (2024-2026 term), and Timor-Leste is a reliable partner of the United States at the UN.

U.S.-Timorese partnerships will be strengthened by construction of a new embassy compound at the site of the current location, and the Mission will finalize related negotiations to meet our facility and personnel needs. The Mission will also continue to promote diversity, equity, inclusion, and accessibility across the workforce at Post and in all USG programming. It will additionally expand professional training and development opportunities for local staff.

Above all, the Mission is dedicated to the safety and security of U.S. citizens in Timor-Leste. We will continue to strengthen our capacity to provide consular and other vital services, while identifying and mitigating security vulnerabilities.

The Mission realizes that a critical risk to the achievement of the ICS objectives is the Government of Timor-Leste's ability to prioritize and implement its own development strategies. We will continue to build and leverage our strong bilateral relationships to jointly address shared global challenges, including climate change and health security, while encouraging Timor-Leste to confidently lead and engage in the region. Mission leadership will periodically review the ICS and update its application to our work.

2. Mission Strategic Framework

Mission Goal 1: Strengthen the U.S.-Timorese partnership to advance peace, security, and prosperity for the American people.

- **Mission Objective 1.1:** Increased security arrangements expand U.S. access and help Timor-Leste contribute to regional peace and stability.
- **Mission Objective 1.2:** Increased U.S. – Timor-Leste cooperation strengthens partnerships and programs.

Mission Goal 2: Enhance good governance that strengthens Timor-Leste’s democratic institutions and political processes.

- **Mission Objective 2.1:** Timor-Leste’s democratic institutions and political processes are more inclusive and responsive to the needs of the population.
- **Mission Objective 2.2:** Increased justice sector professional capacity enables Timor-Leste to deliver equitable and transparent justice.
- **Mission Objective 2.3:** Strengthened reporting in a free and independent media counters external influence.

Mission Goal 3: Expand Timor-Leste’s economic prosperity, opportunity, and U.S. economic engagement that advances sustainable, peaceful, and inclusive development.

- **Mission Objective 3.1:** Private-sector growth in Timor-Leste’s non-oil sector economy provides expanded opportunity for women, youth, vulnerable, underserved, and other marginalized populations through improvements to the enabling environment and business climate.
- **Mission Objective 3.2:** Timor-Leste’s business and investment climates are improved through the implementation of legal and administrative reforms.

Management Objective 1: The Consular Section analyzes operations with a goal of increasing visa services available in country.

Management Objective 2: Agreements are finalized and upheld for the New Embassy Compound through transparent, ethical, and consistent negotiations and decisions.

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3. Mission Goals and Objectives

Mission Goal 1: | Strengthen the U.S.-Timorese partnership to advance peace, security, and prosperity for the American people.

Description: | Supporting a free, open, prosperous, and resilient Indo-Pacific is a key U.S. priority. Enhancing and strengthening ties with Timor-Leste – an increasingly important partner in the region – protects the American people, expands prosperity, and directly advances:

Objective 1.1: | Increased security arrangements expand U.S. access and help Timor-Leste contribute to regional peace and stability.

- **Justification:** | Greater security cooperation enhances regional peace and stability for a free and open Indo-Pacific. Ensuring that Timor-Leste can protect its sovereignty as well as deter aggression and coercion involves a whole-of-government response which draws upon America’s robust network of allies and partners.
- **Linkages:** |
 - 2022 – 2026 Department of State Joint Strategic Plan (JSP) Objective 1.4
 - East-Asia Pacific Joint Regional Strategy (JRS) Objective 2.1
 - Interim National Security Strategic Guidance (INSSG)
 - JRS Goal 3 (all objectives)
 - JRS Objective 5.1
- **Risks:** | Should Timor-Leste view increased partnership with the United States as a risk to other bilateral relationships, security cooperation and partnership opportunities may decrease. To mitigate this risk, the Mission will continue to emphasize the United States’ longstanding efforts to strengthen Timor-Leste’s ability to protect its sovereignty and independence from external actors.

Objective 1.2: | Increased U.S. – Timor-Leste cooperation strengthens partnerships and programs.

- **Justification:** | Deepening our partnership with Timor-Leste is essential to advancing our objectives of revitalizing global alliances and partnerships – America’s greatest strategic asset – and ensuring democracies deliver for people. With over 60 percent of the Timorese population under the age of 25, programs that target this demographic will advance the U.S.-Timorese partnership among the next generation of Timorese leaders and support Timor-Leste’s impressive democratic progress in the long-term. Achievement of the objective will strengthen our long-term democratic partnership with Timor-Leste.
- **Linkages:** |
 - JSP Objective 1.5
 - JRS Objective 5.2 – 5.4
- **Risks:** | If emerging leaders do not perceive the U.S.-Timorese partnership as delivering opportunities for the future, their now-positive perceptions of the United States will decline, jeopardizing long-term support for the relationship. To mitigate this risk, the Mission will demonstrate across all engagements the positive benefits that our relationship is delivering to the Timorese people to expand economic prosperity and opportunity.

Mission Goal 2: | Enhance good governance that strengthens Timor-Leste’s democratic institutions and political processes.

Description: | Adopting and promoting strong governance practices and institutions that are resilient, transparent, accountable, and responsive to the Timorese will develop and strengthen Timor-Leste’s democratic institutions. Ongoing support for elections and other political processes are pivotal and can advance long-term democratic development. The Mission’s focus on strengthening the professional capacity of the legal sector enables the delivery of more equitable and transparent justice, and the strengthening of reporting in a free and independent media counters negative external influence.

Objective 2.1: | Timor-Leste's democratic institutions and political processes are more inclusive and responsive to the needs of the population.

- **Justification:** | Given traditional and customary roles that value male leaders and needs, an emphasis on inclusiveness by engaging excluded youth, women, civil society, and the private sector is essential. Achievement of the objective will further Timor-Leste's democratic development and civic participation.
- **Linkages:** |
 - JSP Objectives 3.1, 3.2, and 3.5
 - JRS Objectives 5.3 and 5.4
 - USAID Timor-Leste Country Development Cooperation Strategy Development Objective (CDCS DO) 2: Good Governance Enhanced
- **Risks:** | Should Timorese citizens feel the sacrifices made in their 24-year struggle to become an independent, democratic nation have benefited only a select group of citizens, confidence that democracy and its institutions can deliver equal access would be significantly undermined. Marginalized populations also risk diminished rights becoming entrenched in government services and society. To mitigate this perception, the Mission will strengthen relationships with stakeholders and specific actors that have demonstrated a commitment and willingness to work with civil society and support progress in changing societal and cultural norms related to gender and marginalized groups. The Mission will continue to leverage like-minded partners, encourage strong cooperation, and keep the objective as a whole-of-government priority.

Objective 2.2: | Increased justice sector professional capacity enables Timor-Leste to deliver equitable and transparent justice.

- **Justification:** | With less than 35 judges and 35 prosecutors handling all criminal, civil, electoral, and constitutional law cases in country, the Timorese justice system is constrained in its ability to deliver timely, equitable, and transparent justice to its citizenry. The result is the continued use of a traditional/customary law system, particularly in rural areas, that is more expedient, but not victim centric.

- **Linkages:** |
 - JSP Goal 3 (all objectives)
 - JRS Objectives 5.2
 - USAID Timor-Leste CDCS DO 2: Good Governance Enhanced
- **Risks:** | Confidence in the judicial sector is eroded when cases take years to make their way through the courts, both for victims of crimes as well as for companies seeking redress. Insufficient judicial capacity threatens Timor-Leste's governance and security. Capacity-building for equitable and transparent citizen-responsive justice will continue to be a Mission priority.

Objective 2.3: | Strengthened reporting in a free and independent media counters external influence.

- **Justification:** | Many Timorese journalists lack in-depth reporting and fact-checking skills, resulting in error-laden and uncritical reporting that undermines trust in media and democratic institutions, creates an environment ripe for misinformation and disinformation to thrive, and leaves space for unchecked foreign influence and interference. Achievement of the objective will lessen the risk of Timor-Leste's media landscape being dominated by external influences that could undermine democratic norms.
- **Linkages:** |
 - JRS Objectives 5.1, 5.3, and 5.4
 - JSP Objectives 1.4, 3.1, and 3.3
- **Risks:** | Timor-Leste's media landscape becomes dominated by external influences that seek to sow discord and distrust in the country's democratic institutions. To mitigate this risk, the Mission will proactively train the next generation of journalists, support efforts to counter misinformation and disinformation, and expand education opportunities for journalists and emerging leaders.

Mission Goal 3: | Expand Timor-Leste's economic prosperity, opportunity, and U.S. economic engagement that advances sustainable, peaceful, and inclusive development.

Description: | Advancing Timor-Leste's economic development will benefit the Timorese people through reduced poverty, contribute to national stability, and create the foundation to enable Timor-Leste to play a robust role in the region. Development of the non-oil sector is key to expanding employment opportunities and off-set declining fossil fuel resources. Addressing gaps and deficiencies in Timor-Leste's legal and regulatory regime will be critical to creating a commercial environment capable of attracting domestic and international business investment.

Objective 3.1: | Private-sector growth in Timor-Leste's non-oil sector economy provides expanded opportunity for women, youth, vulnerable, underserved, and other marginalized populations through improvements to the enabling environment and business climate.

- **Justification:** | The objective promotes economic growth and security, and it provides opportunities for improved environmental outcomes. Timor-Leste needs to diversify its economy and provide greater market opportunities for marginalized communities. Achievement of the objective may lessen economic disparities and increase opportunities for a population seeking greater prosperity. The Mission will continue championing sustainable, inclusive growth in a rules-based open market.
- **Linkages:** |
 - Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government (E.O. 13985)
 - Executive Order on Tackling the Climate Crisis at Home and Abroad (EO 14008)
 - INSSG
 - JRS Goal 4 (all objectives)
 - JSP Goal 2 (all objectives)
 - Memorandum on Advancing the Human Rights of Lesbian, Gay, Bisexual, Transgender, Queer, and Intersex Persons Around the World

- USAID Timor-Leste CDCS DO 1: Timor-Leste's Non-Oil Economy Strengthened
- **Risks:** | Social and cultural norms continue to limit the access of women and other marginalized groups to entrepreneurship and business opportunities. To mitigate this risk, the Mission will strengthen relationships with stakeholders and specific actors that have demonstrated a commitment and willingness to work with civil society and support progress in changing societal and cultural norms related to gender and marginalized groups.

Mission Objective 3.2: | Timor-Leste's business and investment climate is improved through the implementation of legal and administrative reforms.

- **Justification:** | Domestic and international economic investment in Timor-Leste is hampered by deficiencies in the legal and administrative regime. The lack of a commercial code and clear land title complicate business development and present significant investment risks. Strengthening the legal and administrative regime is a necessity to create a business environment capable of attracting sustainable, inclusive private-sector investment and generating economic development in the non-oil sector.
- **Linkages:** |
 - INSSG
 - JRS Goal 4 (all objectives)
 - JSP Goal 2 (all objectives)
 - JSP Objectives 3.1, 3.2, 3.3, and 3.5
 - USAID Timor-Leste CDCS DO 2: Good Governance Enhanced
- **Risks:** | Without implementation of legal and administrative reforms affecting the business environment, Timor-Leste will be unable to attract the domestic and foreign investment necessary to generate the meaningful private sector economic growth needed to provide employment and replace income from declining oil- and gas-sector revenues. The Mission will engage bilaterally and in coordination with other development partners to ensure that the government remains focused on the importance of improving the business climate.

4. Management Objectives

Management Objective 1: | The Consular Section analyzes operations with a goal of increasing visa services available in country.

- **Justification:** | Data-driven efforts that include examination of visa demand and physical spacing to expand visa operations advance the Bureau of Consular Affairs' (CA) mission of facilitating legitimate travel and protecting the United States.
- **Linkages:** | Facilitating legitimate travel and protecting the United States supports CA and all U.S. government high-level strategies, especially JSP Goal 5: serving U.S. citizens around the world and facilitating secure international travel.
- **Risks:** | Insufficient operational analysis underserves Post's overall bilateral and consular priorities. To mitigate risks, the Mission will continually evaluate procedures and outcomes, engage stakeholders to meet facility requirements, obtain requisite authorizations, and recommend data-supported services that advance the bilateral relationship.

Management Objective 2: | Agreements are finalized and upheld for the New Embassy Compound through transparent, ethical, and consistent negotiations and decisions.

- **Justification:** | The Embassy has long pursued reciprocal lease and planning agreements with the government to secure the necessary assurances before constructing the New Embassy Compound (NEC) facility. To support Government priorities and advance bilateral commitments, the Embassy will continue transparent and open discussion on the NEC lease agreement and other government-to-government property arrangements. The NEC will serve as a symbol for transparent, ethical, and consistent business practices between partner nations.
- **Linkages:** | The NEC will advance all U.S. government high-level strategies, most notably JSP Goal 4: revitalizing the diplomatic and development workforce and institutions. It

Approved: June 3, 2022

will also support a dynamic and diverse global workforce to successfully execute our mission, as directed by E.O. 13985.

- **Risks:** | The lack of an agreement on a NEC will not only result in a workforce-occupying space that is inadequate to effectively accomplish Mission objectives but will force Post to re-evaluate additional personnel and resources needed on the ground to meet the strategic interests of the U.S. government bilaterally and mitigate malign influences in country and in the region. Post leadership will continue to be responsive and press the Timor-Leste government via informal and formal negotiations.