



Brazil and Iran: Praises and disbelief

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On May 17th, Brazil apparently scored its first diplomatic victory in the always-dangerous chess game of Middle Eastern politics. President Luiz Inácio 'Lula' da Silva together with Turkish Prime Minister Recep Tayyip Erdogan managed to reach a feasible understanding with Iranian President Mahmoud Ahmadinejad regarding Iran's nuclear agenda.

Under this new deal, the country agreed to transfer 1200 kilograms of its low-enriched uranium to Turkey within a month, and in return receive, within a year, 120 kilograms of 20% enriched uranium for use in a medical research reactor. An immediate consequence of this meeting was also the quick dismissal by Lula and Erdogan of further United Nations sanctions on Iran, a move steadily lobbied by the US for several months now, through its Security Council peers.

Adding extra credit to this outcome, the bar on expectations before Lula's arrival in Tehran was set quite low –

30% odds of succeeding, as Russian President Dmitry Medvedev stated – with little faith from every interested party, in Brazil's diplomatic ability to push forward a compromising solution to such an internationally pressing matter.

Therefore, this result came as nothing short of a personal victory for Lula, who always advocated a dialogue of equals, as a middle ground between Iran's nuclear 'civilian' activities and the world's need for assurances of not having to deal with another nuclear-armed state – the likes of North Korean – that could tip the balance of an entire volatile region.

However, the impending perils to Brazil's credibility in the world, due to these recent events, may have been seriously underrated, as the deal itself contains several flaws. First of all, this supposed breakthrough bears a striking resemblance to a deal struck last October under the auspices of the International Atomic Energy Agency (IAEA), an agreement that was eventually turned down by Iran because of concern over Russia and France's position as intermediaries in the fuel-swap process, a role now essentially reserved to Turkey. Still, both sides require trust, and Iran's erratic and stalling behavior during the entire process did little to

improve the situation. Valid questions remain as to the level of seriousness and commitment to this agreement by Iranian authorities.

Additionally, this deal focuses solely on the fuel-swap issue, falling short of effectively resolving the ongoing enrichment process – which is bound to continue according to Iranian authorities – as well as not taking into account the disparities in the amounts of enriched uranium that Iran has been able to process, since last October. When adding the new packet of sanctions to this equation – measures agreed upon by the P5+1 states (the five permanent members of the Security Council and Germany) despite these latest developments, and apparently already set in motion – President Lula's diplomatic victory ends up failing to provide the assurances necessary for the international community to effectively believe in Iran's intentions.

True, Brazil deserves credit for bringing to the table a diplomatic way out for the Iranians, but one must ask if this sudden consensus that has emerged in the past few days is the result of Lula's personal efforts, or an expected reaction to the glooming threat of China's support to new sanctions that would further encumber the regime's stability. As such, it is



worth considering the possibility that, at the end of the day, this deal may be nothing more than another stalling tactic meant to alleviate international pressure on Iran's nuclear program, and is built on a clever manipulation of Brazil's foreign policy, a country craving international recognition of its growing economic and political power.

Bottom-line, Brazil's desire to play a preponderant role in international affairs is commendable and the merits of providing fresh new interlocutors as well as an approach based on dialogue and compromise are indisputable, basically confirming the tacit rise of this new player in the international system. However, as his final term comes to an end, President Lula should be wise enough to recognize the political dangers of wasting his international goodwill – and the country's increasing reputation – in the Middle East's diplomatic graveyard. The long and torturous road toward becoming one of the world's decision-making elite requires him to do so.

Squaring the circle in Guinea-Bissau

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Immediately after the half-successful coup that took place on April 1st, the international community – represented by the African Union, CPLP, ECOWAS, European Union, and the United Nations – urged the military and political leadership of Guinea-Bissau to maintain constitutional order and the rule of law. Two months later, Guinea-Bissau is still waiting

for political and military resolution. Meanwhile, backstage, for the last eight weeks political contacts were held at the highest level. For example, Guinea-Bissau's President Malam Bacai Sanhá met with Angolan President José Eduardo dos Santos in Luanda on April 9th and 10th. On May 15th, Portuguese Foreign Minister Luís Amado met President Sanhá in Bissau, and also met with representatives from the United Nations, the European Union and ECOWAS in the country. It certainly did not go unnoticed that Amado did not meet Gen. António Indjai, the self-proclaimed Armed Forces Chief of Staff. Earlier, Indjai met Libyan leader Muammar Gaddafi in Sirte on April 25th. Thus far, it is unclear what the political role of Libya is in Guinea-Bissau. Still, Indjai's trip to Libya showed two things. The first was that he felt sufficiently confident that together with former Head of the Navy, Rear Admiral José Américo Bubo Na Tchuto, he controlled Guinea-Bissau. The second is that, as it has been pointed out before, Indjai is neither the main actor nor the power center – that being Bubo Na Tchuto – and therefore he may travel abroad without endangering the political situation by being absent in a critical moment.

Despite the personal diplomatic contacts mentioned above, as well as others through multilateral channels, the situation in Guinea-Bissau remains unsolved. So far, there is an unstable *status quo* that sooner or later will have to be clarified. There are three different possible scenarios. In the first scenario, the new balance of power after the coup will impose itself. According to this outcome, Bubo Na Tchuto and Indjai become *de facto* and *de jure* the new leaders of the Armed Forces and, perhaps, Prime Minister Carlos Gomes Júnior will have to resign, or will be asked to step down by President Sanhá. So far, Bubo Na Tchuto and Indjai have been

unwilling to impose this outcome either because they are insufficiently powerful, or because they are fully aware of the political price that will be paid. Either way, it is obvious that the current government is also unable to reinstate the *status quo ante*. In a clear sign of the government's lack of power, one should not forget that former Armed Forces Chief of Staff, Admiral José Zamora Induta, continues under arrest two months after the coup.

In the second scenario, Guinea-Bissau returns to the pre-coup *status quo*, Indjai is removed from the Armed Forces, and Bubo Na Tchuto is banned definitively from the military. Although theoretically possible, this scenario is highly unlikely without the coup plotters' consent, since they now control the Armed Forces. And even with their consent, it further seems unlikely since it would deny them the benefits of the coup. Moreover, in the last two months the international community has never demanded a return to the *status quo ante*.

The scenario that appears most likely to take place is a compromise between both extremes: while Guinea-Bissau will probably not return to the pre-coup *status quo*, Bubo Na Tchuto and Indjai are also unlikely to reach a full victory. Either way, it seems clear that without a deeper role played by the international community, fate will not favor Guinea-Bissau. Unfortunately for Bissau-Guineans, from the point of view of the international community, the country offers more risks than rewards. For example, it is unclear how exactly Angola or Portugal will benefit from their involvement as mediators. They are thus tempted to maintain a low profile and try to manage the situation through back channels. In other words, they are tempted to pass the buck to the African Union, CPLP, ECOWAS, European Union, or the United Nations,



even if multilateral institutions may not be better equipped than individual states to fulfill a successful mediating role.

If the current path remains unchanged, then it seems that Guinea-Bissau is doomed to suffer from more political and/or military instability in the near future. Such an outcome will make an upgrade of the assistance provided by the international community less likely. One trend will reinforce the other: domestic instability will reduce international support, and the lack of international support will foster domestic instability. Breaking this vicious cycle is imperative before we can bring about a new vision for Guinea-Bissau's future.

President Guebuza's own micro-credit program: Development failure and political success

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In 2007, two years after he took power, President of Mozambique Armando Guebuza launched one of his Presidency's principal initiatives: The micro-credit program widely known as the "7 million". Whereas the program appears to have secured the President some significant political scores, it does by now look to be a development failure.

The story of the "7 million" goes back to the decentralization reforms. The government had decided that the "district" – the administrative tier below the province – was to be the country's central node of planning and development. Accordingly, in 2006 each of the 128 districts was for the first time given its own significant budget for locally decided spending. A flat seven million meticais – roughly US\$300 thousand – was given to each district. As the money came with little specifications, the year of 2006 was – in the words of one district administrator – "a big party". Most districts invested the money in acquiring some long-awaited basic social infrastructure, yet the biggest chunk went into improving offices, housing and transport means for key district officials. This proved to be very unpopular in many districts.

This is when President Guebuza took charge: He instructed that from 2007, the seven million were to be used to "invest in local economic initiatives", and the projects supported should be contributing to local development in three fields: Job creation, income generation and food production. The funds were to be given to applicants as loans to "those who don't already have access to bank credits". Responsibility for distribution of the funds was given to district administrators, who usually have involved the local councils of "district representatives" in the distribution process.

This process has de facto been rolled out in each and every district during the last three years. Typically, districts have divided the money among a few hundred very small projects, encouraging "family plot" type agriculture (machamba) as well as fish and animal breeding, and inciting locals to tap natural resources (honey, cashew); not only fomenting formal and informal trading of consumer goods, but also services such as grinding mills, carpentries, tailor-

shops, photo-copy booths, bicycle repairs and similar low-tech activities. Had this large-scale "micro-credit" project actually resulted in plenty of new jobs, more income generated among the "have-nots" and better food security in Mozambique's districts, it would have been fair to call it a development success. After all, for the central state level it has been a low effort investment as the money is distributed with only a minimum of specifications, and little investment in follow-up and monitoring. Unfortunately, local development does not simply come by dishing out micro-credits, in particular not in Mozambique. The following outlines the experiences from the first three years, based on recent research in districts in north, south and central provinces. The first sign that something has gone wrong with the President's micro-credit initiative – as seen from a development perspective – is that loans have not been repaid. Supposedly, a district development fund should be built from repayment, so that credit will rotate to ever more beneficiaries. Evidently, this grand ideal is thwarted as money is not paid back. On a national scale, less than 3% have been repaid, which is negligible, as a great part of the projects already expired their repayment deadline. Project beneficiaries have usually repaid something, yet only a tiny fraction of their dues. Why is that so?

Interviews with the individual project beneficiaries and officials in specific districts uncovered two main reasons: beneficiaries are unable to back their loans, and they have little motivation for doing so.

In 2009 and 2010, the majority of beneficiary projects that were visited suffered from severe stagnation. Market traders were short of products to sell as they had too little turnover to buy new merchandise. Those who had installed "permanent booths" with tiles



and zinc roofing found their investment to be unjustified by the turnover, so the return was insufficient for further pay-back. Beneficiaries of agricultural projects complained that drought, plagues, inconvenient floods, and falling market prices made them unable to repay. A goat trader said that increased transport prices had made his project unviable. A poultry project had suffered as a bout of chickens had been killed by heat shock in a truck during transport, and the staff at a carpentry shop complained that they had little material to work with because transport of wood from rural areas had been cut off by rainfall, and in any case there were few local customers with cash these days. In short, nearly all beneficiaries explained how their projects had been impaired by generalized low economic activity. We also suspect that much of the money had been spent on immediate family consumption, rather than investment in the projects. In addition, their businesses had apparently suffered from unrealistic expectations or plainly inadequate management – that is, assuming they were indeed planning to make their businesses profitable enough to repay.

It also appears that motivation to repay among the beneficiaries has been lowered by two factors: One is related to “local” or kin-based clientelism, and the other is related to political clientelism. In many districts, the capacity to manage the sudden influx of these significant funds and their distribution towards hundreds of projects is low. Supposedly, the administrations are to be checked by the involvement of the “district councils”, but it also seems clear that council representatives themselves have been among the first and foremost recipients of the funds. This is unfortunate as they are also there to monitor and secure repayment, which has evidently not happened. Further-

more, political clientelism has been notable. Everywhere, local people speak of the Frelimo-tops helping themselves to the funds, and spending them to promote the ruling party. Mozambican journalists have also been following accusations of corruption, something which interestingly has led to the removal of many district administrators by President Guebuza. Yet Guebuza cannot go too far in his “zero-tolerance” stance without compromising the most significant success of the “7 million”: it has been a tremendous source of patronage distribution available for the local Frelimo party machineries.

In one Sofala district, a young Frelimo official explained who the local beneficiaries were. Out of 61 projects, 43 (71%) beneficiaries were Frelimo party leaders, activists or members, whereas only two were associated with the opposition party Renamo. The beneficiaries we visited in this area confirmed that their membership to Frelimo had facilitated their access to credits. One of the beneficiaries had recently been the leader of the Renamo youth wing, but had decided to jump ship and join Frelimo as he saw that it could give him access to credits and other benefits. His public renunciation of Renamo took place right before the elections in late 2009. Clearly, if access to these funds is seen as compensation for loyalty or services to Frelimo, why should beneficiaries repay them?

President Guebuza’s “7 million” scheme has failed to produce the stated development outcomes, and there is nothing to indicate that they will be reached anytime soon. On the contrary, it has been a tremendous loss of scarce state funds and seems to be uncoordinated with the general poverty reduction strategy. Yet the “7 million”, distributed to hundreds of satisfied clients in each district, probably played its part in giving Frelimo its largest victory ever in the

2009 elections. The Mozambican government must now decide whether it wants to continue favoring the party’s political logic of patronage distribution over serious attention to local economic development and poverty reduction.

Portugal and the Arabian Peninsula

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On the September 13th 2005, Diogo Freitas do Amaral, Portugal’s Foreign Minister at the time, said that strengthening ties with the Arab countries, particularly with the ones in the Arabian Peninsula, would constitute a new axis in Portuguese foreign policy. Though less ambitious and more discrete in his statements, António Martins da Cruz, who preceded Freitas do Amaral in the Foreign Ministry, had already underlined the importance that the Arabian Peninsula should have regarding Portugal external relations. Five years later, and despite Freitas do Amaral’s intentions in 2005, those same Arab countries are far from being a new foreign policy focus for Portugal.

However, current Foreign Minister Luís Amado has not forgotten the region. He has visited Saudi Arabia, the United Arab Emirates (UAE), Oman, Qatar and even Yemen. The main reason for these visits and for the overall interest in the region is economic in nature, with two main aspects: on the one hand, there is a wish to attract foreign investment to Portugal and, on the other, there is a will to further internationalize the Portu-

guese economy. In fact, these were the intentions Freitas do Amaral had back in 2005. In order to pursue the first objective, Portugal is trying to tap into these countries' sovereign wealth funds, especially those of the UAE and Qatar. These sovereign wealth funds are state-owned investment funds that comprise revenues from oil and gas and are meant to financially support projects that would diversify the Peninsula's economy. Therefore, for a country such as Portugal who wishes to attract foreign investment, sovereign wealth funds are an important tool to inject capital into the national economy.

In the last few years several agreements and memoranda of understanding have been signed between Portugal and the Arabian Peninsula states. In energy field, aside from the oil and gas that Portugal needs from the region, these Arab countries have demonstrated increased interest in Portugal's experience and investment in renewable energies. For example, in June 2009, UAE's Minister of Energy Mohamed Bin Dhaen Hamli said his country was deeply interested in developing renewable energy sources, adding that Portugal is one of the leading countries in this area and thus an important partner.

The process of strengthening ties with the Arabian Peninsula states has seen slow developments in the last few years, highlighted by relations with Qatar and especially the UAE. Nonetheless, it remains mainly focused on economic issues, with little in the way of political achievements.

The opening of a Portuguese embassy in Abu Dhabi is symptomatic of the current trajectory of relations. In 2006, Freitas do Amaral promised the opening of an embassy in the UAE. Luís Amado reiterated the same promise in April 2008, saying it could be either an embassy or a consulate. Again, in November 2009,

Amado addressed the issue in a visit to Abu Dhabi. Despite the continuing expressions of intent and recent advances, the process of opening an embassy has not been accomplished yet.

Apart from erratic behavior on Portugal's part, the 'embassy issue' also has practical implications on the ground. Beyond matters related to documentation that affect individuals and companies, in 2008, no one really knew how many Portuguese nationals were living in the UAE since the census – usually done by the Portuguese embassy in Saudi Arabia – had been discontinued. Moreover, it does not signal the political resolve that both Portuguese and Arab companies need to promote long-lasting investments.

Still, economic achievements have been scarce. With regard to Portuguese exports, from 2000 to 2009, the rank occupied by these countries has shown little advancement. For example, Saudi Arabia occupied the 34th place in 2000 and the 38th in 2009; the UAE the 44th in 2000 and the 39th in 2009; and Qatar occupied the 89th place in 2000 and 85th in 2009. This shows that the objective of increased trade is not being accomplished.

Given the intentions of making the Arabian Peninsula a foreign policy axis, and bearing in mind all the economic objectives established by Portugal, what could explain such an absence of tangible progress? It is difficult to offer a single explanation. There are a number of reasons that, individually or together, may explain the absence of results. First comes the lack of proper strategic planning that has characterized Portuguese foreign policy in recent decades. Second, bearing in mind that despite Portugal's declared intentions foreign relations only work if there is common interest, the countries in the Arabian Peninsula may not see in Portugal an attractive market. This

lack of interest in investment may result in part from Portugal's tax policy, labor legislation and ineffective judicial system. Third, over the years the Portuguese economy has not invested in producing exportable goods. Lastly, regardless of all the declared objectives, perhaps Portugal's real purpose is simply to enter into a new market and attract some investment, even if the scale is negligible.

Thus, despite all the rhetoric, the overall assessment of Portuguese policy toward the Arabian Peninsula states is negative: so far, economic and political ties have not experienced significant improvement. The deepening of Portuguese relations with the Arabian Peninsula will have to wait for better days in the next decade.



Bringing the state to the people: Challenges facing local government reform in Timor Leste

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Local government reform in Timor Leste is critical for the building of an inclusive democratic consensus that will bring the state to the people and the people to the state. A program of reform is particularly urgent in Timor Leste. Governance has been both highly centralized and handicapped by low capacity. For people in the districts, the central government in Díli is remote, public service delivery to the local community poor, and opportunities for popular participation very limited. Limited local participation is compounded by the electoral system by which voters choose a closed party list of candidates in a single national electorate. Members of Parliament have no responsibility to single electorates: they represent, in effect, everyone and no one.

The challenge of building an inclusive and democratic system of governance is particularly intense in Timor Leste. About half of the East Timorese population lives below the upper poverty line and a third below the extreme poverty line. Poverty actually significantly increased between 2001 and 2007, reflecting the stagnation of the non-oil economy. For the large majority of rural subsistence farming communities, civil society continues to assume local, Timorese forms. Local communities are divided over their perception of the legitimacy or the relevance of the current government.

The local government reforms signal an attempt to correct the preoccupation with the center, and to recognize the critical need to include the 'periphery' in state building. Ultimately, the government in Díli lacks the capacity to simply enforce its authority over its people; it must rely on popular consent. What Joel S. Migdal has called 'normative solidarity' – the identification of the people with a national community – has not developed in Timor Leste.¹

A successful decentralization program involving genuine local decision-making and the delivery of needed public services would significantly build 'normative solidarity'; a failed program will further undermine it. It is in this context that an effective model of decentralization is vital.

Does the progress of the reform program so far suggest there is the political will to carry through a real transfer of some powers that can correct the imbalance between centre and periphery? It will be argued here that there are emerging indications that the answer to that question is in the negative.

Contending models of local government reform

Decentralization is mandated as one of the fundamental principles set out in the Constitution (Section 5:1, Section 5:2). The constitutional directive is broad and un-specific. It requires legislation to spell out the kind of devolved local government system to be established. To date, in the eight years of independence, only one law has been promulgated, the Law on Administrative Division of the Territory (2009). Some four further laws required to establish a new system of local government are either before the Parliament, being drafted, or not yet under consideration. The legislation originates as Decree Laws approved by the political executive, the Council of Ministers, and not the National Parliament which, nevertheless, must debate and pass them.

Both the former and the present governments placed decentralization high on their agendas. The 1st Constitutional Government of Timor Leste (the Fretilin government) moved early on local government reform. In 2003 a report commissioned by an Inter-Ministerial Technical Working Group led by the Ministry of State Administration and Territorial Management (MSATM) came up with six options for decentralization. The Council of Ministers

¹ Joel S. Migdal, *State in Society: Studying How States and Societies Transform and Constitute One Another* (Cambridge, Cambridge University Press, 2001): p. 5.



at that time approved Option 4. This involved the creation of new provinces or regions responsible for new municipalities based on the sub-districts. This would have created a large number of small municipalities responsible to regional councils responsible, in turn, to the central state.

The Fretilin government moved to implement devolution in 2006 but this was overtaken by the political crisis of that year and the subsequent election of the 4th Constitutional Government (the AMP government) led by Prime Minister José Alexandre 'Xanana' Gusmão in the following year. After reconsidering the six options, the AMP government decided on Option 5b. There would be no regions or provinces. The thirteen districts would become

thirteen municipalities with elected mayors and municipal assemblies. The sub-districts would disappear. In contrast to Option 4, Option 5b determined a single level of local government between the central state and the *sucos* (villages) and *aldeias* (hamlets).

The Council of Ministers released in March 2008 the agreed model of local government developed with advice from the joint UNCDF-UNDP Local Governance Support Program (LGSP) supported by Irish Aid and the government of Norway.

The model set out in the March, 2008 document, identified the main objectives of the reform as to:

- Promote the institutions of a strong, legitimate and stable state across the territory of Timor Leste;
- Promote opportunities for local democratic participation by all citizens;
- Promote more effective, efficient and equitable public service delivery for the social and economic development of the country.

This model adopted among its guiding principles "democratic representation and close links between the elected bodies at the *Suco* level and the municipal assemblies with local interests represented at the municipal level". To strengthen this, municipal assemblies would consist of directly and indirectly elected representatives. The proposal was that indirectly elected representatives

could be representatives from the *suco* councils who, as members of the municipal assemblies, would ensure the interests of the *sucos* were advanced. This proposal for *suco* representation in the municipal assemblies was dropped in the draft law released by the Council of Ministers in August 2008 by which all assembly members would be elected by 'universal, free, direct, secret, personal and periodic ballot'.

The 2009 Draft Law on Municipal Elections

The Law on Municipal Elections approved by the Council of Ministers in February 2009 clarified the advisory (rather than an institutionalized) relationship between municipal assemblies and the *sucos*. The draft law merely requires that municipal assemblies will hold "regular" consultations with *suco* councils and inform them in advance of any assembly meetings. *Sucos* are to be consulted on proposed local policies that directly affect them. There has since been further consideration by the Ministry of State Administration and Regional Management (MSARM) of spelling out the relationship between *suco* councils and the municipal assemblies. This could be set out in supplementary administrative legislation, although preferably it should appear in its own decree law approved by the National Parliament. As part of this consideration of further elaborating the proposed interaction between municipalities and *sucos*,

a consultant's report commissioned by the MSARM proposed the creation of a department for relations between municipalities and *sucos* in a Directorate for Local Governance in the MSARM. It should be noted that this approach focuses on the supervisory role of the Ministry rather than on the democratic interaction of popularly elected municipal assemblies and popularly elected *suco* councils.

Political risks and opportunities

Successful local government reform would provide for the first time in Timor Leste opportunities for local dem-

Does the progress of the reform program so far suggest there is the political will to carry through a real transfer of some powers that can correct the imbalance between center and periphery? It will be argued here that there are emerging indications that the answer to that question is in the negative.



ocratic engagement in governance and empower local communities. It would bring government closer to the people and provide local communities with a voice. It would improve the delivery of real public services meeting real local needs. It would involve a redefinition of the interaction between local communities, municipal elected representatives and central government underpinning the legitimacy of the state and encouraging the emergence of a civil society supported by and identified with the state and its government.

A badly designed and managed program of local government reform will perpetuate a centralized, top-down system of governance that will remain unresponsive to the local community. The gap will remain, despite elected municipal assemblies and mayors, between the state administration and the people in the *sucos* and *aldeias*.

There are already major political issues associated with the current legislative model. The 2009 draft law would install a proportional voting system for the municipal assemblies, requiring that candidates for elections must appear on political party lists. The decision was that party lists would be closed, denying voters the right to elect preferred individual candidates. Closed party lists will entangle municipal assemblies in national party politics and introduce national political rivalries into municipal politics. The decision to require closed party lists for municipal elections sits oddly with the law that bans party affiliations for candidates in suco elections.

Closed party lists for assembly members could encourage a new layer of unresponsive political elites and new forms of patronage and family politics. Inclusion on the list and ranking on the list are themselves forms of political patronage. At the same time, the paradox could be that the threat of 'money politics' would increase in so far as municipal politicians had the discretion to manage and disburse municipal funds.

The political range of the new mayors will grow in practice, particularly in the biggest municipalities such as Díli

and Baucau. The mayor of Díli could emerge as a major political figure in national as well as municipal politics. The worst-case scenario would be the development of Philippine-style local political dynasties, what has been described as "an anarchy of families".² The Indonesian experience of decentralization from 2001 was that there were cases where local elites jockeyed for office in order to use local resources for their own enrichment and to expand their powers of political patronage.

In Timor Leste, there will be controls in place for central government to monitor and prevent this. The question is, will these controls work? New local patronage networks would probably extend upwards to national patrons in Díli. The requirement for assembly members to belong

to national political parties would seem to encourage this. As the Indonesian experience demonstrated after 2001, decentralization can include the decentralization of KKN (Korupsi, Kolusi dan Nepotisme, Corruption, Collusion and Nepotism).³

Effective decentralization will require a change in the prevalent political culture. Devolution of decision-making (rather than simple delegation of service delivery) is probably out of line with what is instinctively a centralist political culture among political leaders in Díli. The reform model as it developed between March 2008 and February 2009 has become more centralist.

This raises larger questions concerning the extent of de-

volution intended in the reform program. It is not clear what arrangements will be set in place to determine which level of government will have responsibilities for which tasks. There are issues of 'functional assign-

2 See Robert Fox quoted in Al McCoy (ed.) *An Anarchy of Families, State and Family in the Philippines*. (Quezon City: Ateneo de Manila Press, 1994): p. 8. See also José F. Lacaba (ed.) *Boss, 5 Case Studies of Local Politics in the Philippines* (Manila: Philippines Center for Investigative Journalism, Institute of Popular Democracy, 1995).

3 Bert Hofman, Kai Kaiser and Günter G. Schulze, "Corruption and Decentralization", in J. Coen, G. Holtzappel and Martin Ramstedt (eds.) *Decentralization and Regional Autonomy, Implementation and Challenges* (Singapore and Leiden: ISEAS and IIAS, 2009): p. 104.

Successful local government reform involve a redefinition of the interaction between local communities, municipal elected representatives and central government underpinning the legitimacy of the state and encouraging the emergence of a civil society supported by and identified with the state and its government.

ment', how central line ministries, particularly the Ministry of State Administration and Regional Management and the Ministry of Finance will transfer line ministry functions to the assemblies and mayors. Individual ministries in Díli may be reluctant to surrender to municipal assemblies service delivery, let alone policy decision-making. Coordination between line ministries on the model of decentralization will present more difficulties, although MSARM has the capacity to lead on this. In the Indonesian experience, a rivalry developed between the Ministry of the Interior and the Ministry of Finance over the degree of devolution of power (the Ministry of the Interior won this contest). Ministerial rivalries could also emerge in Timor Leste as the municipalities are established.

An uncertain future for reform

The legislation on municipalities is currently before Committee A of the National Parliament. Fernanda Borges MP, Chair of Committee A, has warned that the National Parliament will take its time to consider "difficult questions" concerning the proposed legislation. The model determined by "an elite in the Council of Ministers", she has said, requires much more analysis of alternative models of reform as well as extensive public consultation. Committee A advised the Parliament of its serious concerns about setting up thirteen municipal assemblies and failed to see how this would benefit the people.⁴ To go ahead, the local government reform program requires the law on Municipal Elections to be approved by Parliament as well as other legislation on the functions and competencies of local authorities, local financial

regulations, and a law on candidacy for assembly members and mayors. Some of this legislation is in draft form, some has not yet been drafted. This is one of the reasons why the first four planned municipal elections for 2009, postponed for 2010, did not go ahead. Another is the view that the human and physical resources for operating municipalities are not ready (although this is disputed). President José Ramos-Horta recommended in April 2010 that municipal elections should be postponed until 2013. Prime Minister Gusmão supported a postponement – to 2014. This will be well after the planned

2012 general election and will be the responsibility of the new government that is formed after that election. Given the concerns of Parliament and uncertainty regarding the political will of a future government to follow through with real, democratic local government reform, the opportunity to redesign the relationship between the state and its people may be lost.

Conclusion

The local government reform program provides a critical opportunity to engage the people of Timor Leste in democratic governance in a way that has been denied them in a centralized and fragile state system. To a significant degree, the great majority of citizens do not inhabit the political domain of the nation-state. The evidence is that many are alienated from the state, question its legitimacy, and seek identity in local domains. The local government reform program provides a critical opportunity to correct this. The changes to the proposed legislative model of reform between March 2008 and February 2009 suggest that the model of decentralization is less than democratic and involves the entanglement of municipal politics in national party politics. The new system is one that will be phased in through a process of "customized decentralization" and it is not yet clear what the final model will be. But the weakening of the proposed 2008 model in the introduced legislation,

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⁴ Fernanda Borges, "Parliamentary Oversight of Local Government Reform in Timor Leste". *Locating Democracy: Representation, Elections and Governance*. Symposium, Charles Darwin University and The National University of Timor Leste (26-27 August 2010).



and the injection of national party politics into the municipal election process, is discouraging. Centrist tendencies remain strong in the government and the ministries. Mismanaged, the new municipalities pose the

risk of imposing simply another layer of potentially inert bureaucracy and patronage politics on local communities, creating new, regional elites of potentially corrupt municipal politicians.



Source: United Nations.



Timeline of Events

Angola

1-4 May (Luanda):

The 12th meeting of the bilateral commission between Portugal and Angola in the field of defense was held, first at expert level, followed by a ministerial meeting.

3 May (Luanda):

Angola was elected to the two-year presidency of the 26th Regional Conference for Africa of the United Nations Food and Agriculture Organization. The mandate will be guided by a food and nutritional security agenda.

7 May (Luanda):

Following a meeting with Foreign Minister Assunção dos Anjos, US Ambassador Dan Mozena unveiled that a new memorandum of understanding will be signed under the aegis of the US-Angola Strategic Partnership.

7 May (Luanda):

Angola and Namibia decided to jointly develop a US\$1.1 billion dam in the Kunene River. The project will be concluded by 2017 and will include a 400-megawatt power station.

9 May (Beijing):

China's Vice Prime Minister, Li Keqiang, received the CEO of Sonangol, Manuel Vicente, to discuss energy cooperation programs between the two countries.

11 May (Luanda):

President José Eduardo dos Santos received invitations to attend the G8 and G20 meetings, which will take place in Toronto this June.

13 May (New York):

Angola was elected as member of the UN's Human Rights Council. Among others, Libya, Uganda, Malaysia and Thailand also secured a seat in the 14-member body. The US ambassador to the UN, Susan Rice, expressed her "regret" to see

countries with "problematic" records gain a place in the Council.

15 May (Luanda):

The first weeks of May witnessed increased tensions within UNITA. Internal factions challenged Isaiás Samakuva's leadership, unquestioned since 2003. Although no clear opponent was identified, Abel Chivukuvuku, a prominent member of UNITA, remains high on the successors' list. Cláudio Silva, a member of Samakuva's cabinet, stated that this instability is solely caused by maneuvers from the Presidential palace.

18 May (Lisbon):

Angola's Oil Minister, Botelho de Vasconcelos, supported the project of a strategic partnership between Galp, Petrobrás and Sonangol – the major Portuguese, Brazilian and Angolan oil companies, respectively. Botelho also welcomed the possibility of Sonangol acquiring a significant share of Galp, thus opening doors to the internationalization of his country's company.

20 May (Luanda):

Foreign Minister Assunção dos Anjos met Canada's Parliamentary Secretary of Foreign Affairs, Deepak Obhrai, to discuss Angola's role as a promoter of peace in Southern Africa. Angola's participation in the G8 and G20 meetings was also dealt with.

21 May (Cabinda):

One of Cabinda's separatist cells, FLEC-PM, claimed an attack on a convoy of Chinese workers, resulting in one fatality. The government denied such an incident.

21 May (Cabinda):

One of Angola's historical liberation movements and now an opposition political party, the FNLA, also faced internal instability. Lucas Ngonda, the party's president, faced strong criticism from Carlinhos Zassala, the party official responsible for internal and external policy. Zassala accused

Ngonda of holding a personalistic rule over the FNLA. Angola's main opposition parties are thus under strain before the 2012 general elections.

23 May (Luanda):

After international rating agencies Standard & Poor's (B+), Moody's (B1) and Fitch (B+) awarded Angola a credit rating similar to Nigeria's, which will allow for a sell-off of US\$4 billion debt emission, Luanda asked for further financing from the African Development Bank to support infrastructure construction. This adds to the IMF's \$1.3 billion grant, of which some \$171.5 million have already been transferred. Altogether, Angola's government informed the IMF that it will need US\$6 billion to rebuild all major infrastructures.

25 May (Namibe):

Japan agreed to support the refurbishment of Namibe's port in what will involve a US\$24 million investment.

26 May (Benguela):

A Portuguese investment group – the Sociedade Lusa de Negócios – signed a US\$294 million investment deal to build a cement factory in Benguela. The project involves local private partners, such as the Armed Forces Social Security System.

27 May (Luanda):

The National Assembly approved new laws on Central Bank and State Budget. The new law reduced the role of the Central Bank's role, which will cease to define monetary, financial and exchange rate policy and will serve as an observer of the government's actions. The government stated that these measures professionalized revenues management, although the Central Bank's autonomy reduction seems to contradict IMF prerogatives.

28 May (Luanda):

President José Eduardo dos Santos received the Commanding General of the Chinese People's Liberation Army General Staff Department, Gen. Chen Bingde. José Eduardo dos Santos aimed for



an increased and speedy cooperation among the military forces, particularly on re-equipment support.

Brasil

3 April (Ponta Porã):

Paraguay's President Fernando Lugo met with his Brazilian counterpart, Luiz Inácio 'Lula' da Silva to discuss common strategies to fight drug trafficking in the region. Bilateral energy issues were also addressed.

3-4 April (New York):

Foreign Minister Celso Amorim attended the Nuclear Non-Proliferation Treaty Review Conference, where he called for concrete steps towards global nuclear disarmament and affirmed the need for diplomacy when it comes to the Iranian nuclear program. Amorim also took the opportunity to hold meetings with his counterparts from the US, New Zealand, Jordan, Austria and Australia.

4 April (Campana):

President Lula da Silva attended the UNASUR Extraordinary Presidential Summit. The appointment of former Argentinean President Nestor Kirchner as the next Secretary-General, the instability in Paraguay, the upcoming EU-LAC Summit and the ongoing Honduras regional isolation marked this gathering of South American leaders.

4 April (Montevideo):

President Lula da Silva met with his counterpart, José Mujica, seeking to advance bilateral relations between the two countries, in the economic and trade fields.

13-14 May (Moscow):

President Lula da Silva, along with Foreign Minister Celso Amorim and Defense Minister Nelson Jobim, met with his Russian counterpart Dmitry Medvedev to discuss energy, aerospace, agriculture and arms projects between the two countries. The Iranian nuclear program and the possibility of new sanctions were also high on the agenda.

14-15 May (Doha):

President Lula da Silva met with Prime Minister of Qatar, Sheikh Hamad bin Jassim bin Jaber Al Thani, in order to sign three agreements aimed

at enhancing bilateral trade. Lula also held talks with Emir Sheikh Hamad bin Khalifa Al Thani and participated in the Qatari-Brazilian Business Forum.

15-17 May (Teheran):

President Lula da Silva met with both Iranian President Mahmoud Ahmadinejad and Supreme Leader Ayatollah Ali Khamenei, to discuss a stalled nuclear fuel-swap deal. With the assistance of Turkish Prime Minister Recep Tayyip Erdogan, an agreement was eventually reached. Further economic and trade relations between the two countries were also high on the agenda.

17 May (Madrid):

President Lula da Silva attended the EU-Mercosul Summit held by both President of the EU Commission José Manuel Durão Barroso and Spanish Prime Minister José Luis Rodríguez Zapatero, where it was determined that negotiations towards an association agreement between the two blocs, held up for years due to trade disputes, should restart.

18-19 May (Madrid):

President Lula da Silva attended the VI EU-Latin America and Caribbean Summit, marked by the continuation of a disagreement between both blocks over trade issues, although negotiations in some areas advanced. Lula also met, on the sideline of the summit, with French President Nicolas Sarkozy to discuss the ongoing Brazilian fighter bid, and with Turkish Prime Minister Recep Tayyip Erdogan, in the wake of their common agreement with Iran over its nuclear program.

19 May (Lisbon):

President Lula da Silva attended the X Portuguese-Brazilian Summit and met with his counterpart, Aníbal Cavaco Silva and Prime Minister José Sócrates. Economic and political ties between the two countries were high on the agenda.

20 May (Brasília):

Belgian Prince Philippe paid an official visit to Brazil, alongside an entourage of businessmen, and met with President Lula da Silva over improving economic relations between both countries.

21 May (Brasília):

Senegal's Foreign Minister Madické Niang met with his counterpart, Celso Amorim, and Defense Minister, Nelson Jobim, in a bid to boost bilateral relations between both countries.

25 May (Buenos Aires):

President Lula da Silva, together with Foreign Minister Celso Amorim, attended the Argentinean Bicentennial of the 1810 Revolution, alongside his counterpart Cristina Fernández de Kirchner.

26-29 May (Brasília):

Turkey's Prime Minister Recep Tayyip Erdogan paid an official visit to Brazil, alongside Foreign Minister Ahmet Davutoglu and Trade Minister Mehmet Zafer Caglayan, together with a large business delegation. Erdogan met with President Lula da Silva to enhance political and economic bilateral relations through a Strategic Partnership between the two countries.

27 May (Rio de Janeiro):

Foreign Minister Celso Amorim met with UN Secretary-general Ban Ki-moon on the eve of the III Alliance of Civilizations Forum.

28-29 May (Rio de Janeiro):

President Lula da Silva hosted the III Alliance of Civilizations Forum, under the slogan "Bridging Cultures, Building Peace". On the sidelines, Lula met with his Argentinean counterpart Cristina Kirchner to address common trade disputes between the two countries. Foreign Minister Celso Amorim also took this opportunity to meet with his counterparts from Jordan, Cyprus, Romania, and Luxembourg as well as with the Secretary-Generals of OEA, the Arab League, and ICO.

Cape Verde

3 May (Praia):

Portugal formally assumed the coordination of Cape Verde's Budget Support Group (BSG), which gathers the main international organizations and institutions involved in macroeconomic analysis of the country.

9 May (Praia):

In a joint press conference with his Guinea-Bissau counterpart Malam Bacai Sanhá, Cape Verde's



President Pedro Pires urged Guinea-Bissau's Armed Forces to pledge allegiance to political power legitimized by voters.

13 May (Praia):

A mission from the International Monetary Fund headed up by Gambian economist Lamin Leigh began the evaluation of the Policy Support Instrument (PSI), the deal signed between the organization and Cape Verde in July 2006 and which is expected to be extended until July 2011.

24 May (Praia):

After the end of an 11-day mission to assess the results of the PSI, and according to deputy director of the Africa Division of the IMF Valerie Cerra, the economic and financial policies of the Cape Verdean government over the last year have been "prudent" and "positive".

24 May (Abidjan):

According to the annual report on "Economic Prospects for Africa", elaborated by the African Development Bank, the OECD and the United Nations Economic Commission for Africa, Cape Verde is expected to grow by 5.1% in 2010, still with considerable dependence on foreign aid.

28-29 May (Rio de Janeiro):

President Pedro Pires attended the III Alliance of Civilizations Forum.

Guinea-Bissau

5-11 May (Bissau):

An ECOWAS Military Chiefs fact-finding mission, composed of the Armed Forces Chiefs of Staff of Liberia, Togo, Ghana and Cape Verde, visited Bissau to assess the country's political situation following the April 1st coup. Meetings were held with President Malam Bacai Sanhá, Prime Minister Carlos Gomes Júnior and Gen. António Indjai.

7 May (Brussels):

The EU's Security Sector Reform mission in Guinea-Bissau came to a standstill. Due the April 1st coup and the continuous political and military instability, an European Union brief considered the mission in to be in a "permanent impasse". Although a force expansion was planned to take place from June 1st of this year, its current leader

Gen. Juan Esteban Verástegui announced that a downgrade has already taken place – which implies that only technical advisers and specialists will be sent to Bissau.

7 May (Washington):

The IMF Executive Board approved a three-year Extended Credit Facility totaling US\$33.3 million to sustain Guinea-Bissau's economic development. Key areas targeted are public finances, modernization of public administration and raising the quality of public services. The IMF stressed that political stability and commitment to reform are essential to the success of the program.

13 May (Bissau):

Former Navy Chief of Staff, Rear Admiral José Américo Bubo Na Tchuto, who was allegedly involved in a 2008 coup attempt as well as in drug-trafficking networks, as being one of the leading figures of the April 1st coup, appeared before a military court.

15 May (Bissau):

Portuguese Foreign Minister Luís Amado accepted an invitation by Bissau-Guinean political authorities to briefly visited Bissau. After being received by President Malam Bacai Sanhá, Amado held meetings with UN, EU and ECOWAS representatives in the country and defended the need for continuous involvement of the international community in Guinea-Bissau.

19 May (Bissau):

Under a new agreement signed with the African Development Bank, Guinea-Bissau will receive US\$8.5 million for budgetary support. This accord is intended to prop up structural reform in public finances management, which will in turn allow for a pardon of around 80% of the country's debt.

19 May (Bissau):

108 'ghost' military officials were identified in the salary rolls of the Defense Ministry. This situation was detected by an association of military veterans and will save some €26 thousand each month to State coffers.

23 May (Teheran):

Iranian Foreign Minister Manouchehr Mottaki received Aboubakr Dambadaha, a special envoy of President Malam Bacai Sanhá, to discuss the

deepening of bilateral relations. Among other areas, agricultural assistance and training courses were identified as possible cooperation areas.

24 May (Abidjan):

An African Development Bank report explained Guinea-Bissau's 3.4% economic growth this year as the result of continuous international donations and improved agricultural production, but also pointed to isolation from international markets.

25 May (Havana-Lisboa-Praia):

Prime Minister Carlos Gomes Júnior spent last month abroad, most of the time in Cuba and Lisbon. According to sources such as Cap Verdean newspaper "A Semana", this seems to point to Gomes Júnior's fragile stand and imminent departure as Guinea-Bissau's Prime Minister. The situation in Bissau remained tense and the political outlook uncertain.

25 May (Brussels):

Gen. Juan Esteban Verástegui confirmed that his force will remain in the country for at least four more months. At that point, the mission will be reduced and the command will be handed to its current vice-chief, a Portuguese general. At the end of this period the EU will reconsider the mission's continuity and the size of its force.

26 May (New York):

Portuguese Foreign Minister Luís Amado updated UN Secretary-General Ban Ki-moon on Guinea-Bissau's political situation. Amado pointed out the democratic legitimacy of both President Malam Bacai Sanhá and Prime Minister Carlos Gomes Júnior, urging continued international support.

25-26 May (Bissau):

A World Bank delegation, led by strategy and operations director for Africa Michael Wormser, met with President Malam Bacai Sanhá and local government officials. Wormser stressed the importance of investing in the capital's port electrification to stimulate agricultural exports.

27 May (Brussels):

The EU accorded some €100 million in aid from the European Development Fund to Guinea-Bissau for the 2008-2013 period. Until the end of the program, the priority will be given to conflict prevention.

**27 May (Bissau):**

Mixed signals were sent concerning the legal situation of former Armed Forces Chief of Staff Admiral José Zamora Induta. Although Attorney General Amine Saad's official stance was to decline to comment, intentional leaks occurred. A proper judicial procedure seemed to be followed, but the leaks served to undermine top state figures. Induta's position is perhaps being attacked in order to avoid bringing him to a proper trial, where he could accuse Gen. António Indjai, one of the April 1st coup leaders.

28 May (Brussels):

The UN Secretary-General's Special Representative to Guinea-Bissau Joseph Mutaboba met with EU officials to discuss the country's situation and EU/UN coordination.

28 May (Abuja):

President Malam Bacai Sanhá met new Nigerian President Goodluck Jonathan, and presented his condolences for the disappearance of President Umaru Yar'Adua.

31 May (Bissau):

The Military Court provisionally closed the case against Bubo Na Tchuto, suspected of participating in an alleged coup attempt against former President João Bernardo 'Nino' Vieira in 2008.

31 May (Nice):

President Malam Bacai Sanhá was present in the 25th France-Africa Summit, where he spoke about the importance of talking drug trafficking in his country.

Mozambique

5 May (Maputo):

French Development Agency director Bruno Leclerc announced that a US\$50 million agreement to finance gas projects by the Companhia Moçambicana de Hidrocarbonetos would be signed in the near future.

5-7 May (Dar es Salaam):

President Armando Guebuza, alongside 10 other Heads of State, attended the World Economic Forum on Africa, which focuses on "Rethinking Africa's Growth Strategy" this year.

7 May (Maputo):

The opposition party Mozambique Democratic Movement (MDM) officially established its Parliamentary group, following a favorable opinion from the Legal and Constitutional Affairs Commission of the country's Assembly of the Republic.

11 May (Maputo):

The World Bank signed a credit agreement with national authorities for the concession of US\$30.4 million towards the execution of the Mozambican National Decentralized Planning and Finance Program.

14 May (Maputo):

During a meeting of the Defense Sub-Committee of the SADC Body on Political, Defense and Security Cooperation, Mozambican Defense Minister Filipe Nyussi reiterated that the economic progress of the Southern African Development Community and the free circulation of people and goods in the region depend on political stability, peace and security.

18 May (Yaoundé):

Foreign Minister Oldemiro Balói attended the celebrations of the 50th anniversary of Cameroon's independence.

24 May (Abidjan):

According to the annual report on "Economic prospects for Africa" by the African Development Bank, the OECD and the United Nations Economic Commission for Africa, Mozambique is expected to grow by 5.1% in 2010, still with considerable dependence on foreign aid and high levels of poverty.

26 May (Maputo):

Renamo walked out of Parliament, thus boycotting a debate and vote on amending the country's electoral legislation.

28 May (Maputo):

President Armando Guebuza swore into office 15 members of the Council of State, an advisory body which the President must consult on key issues such as the dissolution of Parliament, or fixing the date of general elections.

Portugal

1-3 May (Malabo):

Foreign Minister Luís Amado, accompanied by 40 businessmen, met with President Teodoro Obiang Nguema, Prime Minister Ricardo Mangué Obama Nfubea, and his counterpart Pastor Micha Ondo Bile. Political and economic relations as well as Equatorial Guinea's candidacy to join CPLP were high on the agenda.

4 May (Lisbon):

Prime Minister and Foreign Minister of Qatar Sheikh Hamad Bin Jassim Bin Jaber Al Thani met with President Aníbal Cavaco Silva, Prime Minister José Sócrates and Foreign Minister Luís Amado. The development of bilateral relations, energy issues and the international economic crisis were the main topics covered.

4 May (Luanda):

Defense Minister Augusto Santos Silva attended the XII Luso-Angolan Defense Commission and signed the Technical-Military Cooperation Program for 2011-2014. Santos Silva also met with his local counterpart Cândido Van-Dúnem and with President José Eduardo dos Santos, expressing the wish for more collaboration in the fields of defense industries and military technologies between the two countries.

6-7 May (Las Palmas):

Secretary of State for European Affairs Pedro Lourtie attended the EU Ministerial Meeting on Outermost Regions, meant to prepare the future European strategy for the outermost regions.

6 May (Lisbon):

Senegalese Foreign Minister Madicke Niang met with his Portuguese counterpart, Luís Amado. The strengthening of bilateral relations, EU-Senegal relations, ECOWAS and CPLP were the main topics.

7 May (Paris):

Prime Minister José Sócrates attended the IV Luso-French High Level Meeting, met President Nicolas Sarkozy (in Brussels), and signed several agreements regarding new technologies and renewable energy. Sócrates also met with Prime Minister François Fillon. Foreign



Minister Luís Amado met with his counterpart Bernard Kouchner and assessed the future European External Action Service and the international security situation, including the Iranian topic.

7 May (Brussels):

Prime Minister José Sócrates attended the Eurozone Heads of State and Government Meeting, where he announced new efforts to further reduce the national deficit.

10-11 May (Brussels):

Secretary of State for Foreign Affairs and Cooperation João Gomes Cravinho attended the EU General Affairs and External Relations Council, where the main topic was the preparation of the UN Conference on the Millennium Development Goals, scheduled for the end of the year. Cravinho also held a separate meeting with European Commissioner for Development, Andris Piebalgs.

11 May (Strasbourg):

Secretary of State for European Affairs Pedro Lourtie attended the Session of the Committee of Ministers of the Council of Europe. The reform of the Council of Europe, the future of the European Court of Human Rights and the relations between the Council of Europe and the EU were high on the agenda.

12 May (Berlin):

Secretary of State for Foreign Affairs and Cooperation João Gomes Cravinho met with German Minister for Economic Cooperation and Development Dirk Niebel and the Secretary of State for Foreign Affairs, Werner Hoyer.

12 May (Lisbon):

Albanian Foreign Minister and Vice Prime Minister Ilir Meta met with his counterpart Luís Amado, and with Speaker of Parliament Jaime Gama. The opening of the Albanian embassy and the deepening of political and economic bilateral ties were high on the agenda.

11-14 May (Lisbon):

Pope Benedict XVI met with President Aníbal Cavaco Silva and Prime Minister José Sócrates, as well as other political and religious dignitaries.

14 May (Lisbon):

Colombian Foreign Minister Jaime Bermúdez met with his counterpart Luís Amado, seeking to improve relations at the political, economic and cultural levels. The signing of the Memorandum of Understanding on Political Consultations and Techniques, EU-Colombia relations, regional integration issues, the international financial crisis and climate change were also high on the agenda.

15 May (Bissau):

Foreign Minister Luís Amado met with President Malam Bacai Sanhá and with Parliamentary Affairs Minister Adiato Nandinga to assess the local situation after the April 1st coup and to show solidarity with the duly elected authorities. Amado also met with UN, EU and ECOWAS representatives in the country.

16-18 May (Madrid):

Prime Minister José Sócrates attended the IV EU-LAC Summit, including several preceding events such as the EU-LAC Business Forum. The current economic crisis and the investments in the scientific field were the main topics.

17 May (Praia):

Secretary of State for Portuguese Communities Abroad António Braga inaugurated the Common Visa Application Center in Cidade da Praia, planned under the special partnership between Cape Verde and the EU.

18 May (Lisbon):

Secretary of State for European Affairs Pedro Lourtie took part in the closing session of the Council of Europe's North-South Center. Lourtie also attended North-South Prize 2009 ceremony, where President Aníbal Cavaco Silva bestowed the prize on USSR's last head of state Mikhail Gorbachev and on Kuwaiti human rights activist Rola Dashti.

19 May (Lisbon):

Prime Minister José Sócrates hosted the X Portuguese-Brazilian Summit, with the participation of President Lula da Silva, who later met with his counterpart Aníbal Cavaco Silva. Enhanced economic ties, scientific cooperation and the promotion of the Portuguese language in the world were the main topics addressed.

22 May (Caracas):

Foreign Minister Luís Amado met with his Venezuelan counterpart Nicolás Maduro to discuss bilateral economic and cultural cooperation, EU-Venezuela relations and regional integration issues.

24 May (Sopot):

Secretary of State for European Affairs Pedro Lourtie attended an informal ministerial meeting of the EU's Eastern Partnership, to assess the first year of implementation and renew the European political commitment to this initiative.

24-25 May (New York):

Foreign Minister Luís Amado met with President of the UN General Assembly Ali Treki and UN Secretary-General Ban Ki-moon. The global economic crisis, the Middle Eastern Peace Process, the role of the Portuguese language in international organizations, Guinea-Bissau and Timor Leste, were high on the agenda. Amado also met with representatives of the Arab countries in the UN.

26 May (Madrid):

Foreign Minister Luís Amado attended the 8th EU-ASEAN Ministerial Meeting, where the economic and financial crisis, climate changes and international security and stability, were the main topics addressed. Amado also took this opportunity to meet with his counterparts from Indonesia and Phillipines.

27 May (São Paulo):

Prime Minister José Sócrates met with FIESP, an important local business federation, aiming to boost bilateral economic ties between Portugal and Brazil.

27 May (Brussels):

Secretary of State for European Affairs, Pedro Lourtie, attended the 1st Forum on Ultra-periphery, co-organized by the European Commission and the EU Spanish Presidency, with the purpose of discussing the EU's outermost regions.

28 May (Rio de Janeiro):

Prime Minister José Sócrates attended the III Alliance of Civilizations Forum, where he took the opportunity to privately meet with UN Secretary-General Ban Ki-moon and President Lula da Silva.

**29 May (Caracas):**

Prime Minister José Sócrates met with Venezuelan President Hugo Chávez, with the enhancement of bilateral economic relations, including the signing of 19 agreements and the unblocking of several previous business deals, high on the agenda.

24 May (Abidjan):

According to the annual report on "Economic prospects for Africa" by the African Development Bank (ADB), the Organization for Economic Cooperation and Development (OECD) and the United Nations Economic Commission for Africa, São Tomé and Príncipe is expected to grow by 4.6% in 2010.

6 May (Díli):

President Ramos-Horta met with a Woodside Petroleum delegation after Prime Minister José Alexandre 'Xanana' Gusmão refused to do so, claiming he did not want to compromise the integrity of negotiation mechanisms.

São Tomé and Príncipe

11 May (São Tomé):

According to ANP's director, Luís dos Prazeres, ConocoPhillips, Chevron, Petrobras and Tullow are among eight international oil firms vying for new exploration blocks in the waters of São Tomé and Príncipe. US companies Marathon and Murphy, as well as Germany's RWE and India's ONGC Videsh have also expressed interest.

28-31 May (Paris):

President Fradique de Menezes attended the 25th Annual Africa-France Summit, with peace and security, climate, development and Africa's place in the world stage on the agenda. Menezes took the opportunity to meet with his counterpart Nicolas Sarkozy in order to boost bilateral economic relations between the two countries.

12 May (Díli):

Timor Leste's government has complained to the Australian Securities Exchange about Woodside's announcement that it plans to build a floating liquefied natural gas platform above the multibillion-dollar Greater Sunrise field in the Timor Sea. Timorese authorities accuse Woodside of not providing the public and press with accurate information about the status of the project.

18 May (Yaoundé):

President Fradique de Menezes attended the Africa 21 conference, hosted by Cameroon's President Paul Biya. Macro-economic issues and African development were the main issues addressed.

Timor Leste

1 May (Díli):

President José Ramos-Horta announced that Timor Leste has secured support from most of the Association of Southeast Asian Nations (ASEAN) member countries to join the organization in 2012.

18 May (Wellington):

New Zealand's Defense Minister, Wayne Mapp, announced that the country is halving its military deployment to Timor Leste as security conditions in the nation improve.

20 May (Díli):

This year, ceremonies for Timor Leste's independence day were attended by former Polish President and Nobel Peace Prize laureate Lech Walesa, as well as by local authorities, including President Ramos-Horta and Vice Prime Minister José Luís Guterres.

Reading List

Kai Thaler, "Mozambique and an African solution to the Zimbabwe stalemate" (IPRIS Viewpoints, No. 14, May 2010).

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