

MED

Timor-Leste Development Partners Meeting April, 2010

Overall Donor Support

Talking Points

- The Ministry of Economy and Development has a mandate to support private sector development. The Ministry is responsible for starting and growing small and medium businesses, building a strong, sustainable economy and attracting investments and jobs. MED works with private firms, cooperatives, community businesses and social enterprises.
- The Ministry's role is to provide business training and counseling, ensure access to capital for micro, small and medium business, attract new private investment, foster community economic development and protect the environment.
- MED is pleased to be a partner on several donor projects, including COMPASIS, Rural Development 4, Irish Air/ILO PSD Project and the German Chamber of Commerce project. We feel these projects have the potential to expand the business community, strengthen the private sector and assist in providing improved incomes and jobs.
- However, there are two points ^{I WOULD LIKE TO EMPHASISE:} ~~to be raised:~~
 - First, MED prefers donor projects where the Ministry staff are incorporated into the programming and provided technical support. This will allow the Government to sustain progress on these activities once the donor projects are finished. ILO and ADB have been very good in this regard.
 - Second, it is hoped that donors invest a ^{SIGNIFICANT} ~~higher~~ percentage of their funding on private sector development initiatives as the country needs to generate tens of thousands of jobs and raise incomes of people. In the past, donors have funded Investment and Trade Promotion, cooperatives and value chain development. We would encourage donors to re-invest funds into these types of activities in order to encourage the growth of entrepreneurship and the development of new businesses, be they private firms, social enterprises, community businesses or cooperatives.

- Producing the new Private Investment Law and associated decree laws in 2008; said laws making Timor-Leste one of the most competitive jurisdictions in the region.
- In 2008, the Ministry produced a detailed plan for a three year project to enhance the technical capacity of the staff at the investment promotion agency. Initially the plan was supported by USAID and NZ AID, but after several months of discussions both organizations felt that they needed to align their work with the Government's National Priorities.
- In 2009, the International Financial Corporation (IFC) undertook a review of investment promotion in Timor-Leste in 2009 and recommended that the Government start by developing an Investment Promotion Plan and Sector Profiles. MED is awaiting a response from IFC on possible support for this project.
- In 2009, investment promotion became a national priority of the Government and this should allow the Ministry an opportunity to re-open the discussions with donors to determine their interest in supporting efforts to strengthen the staff capabilities of new investment agency, Invest Timor-Leste.