



DEMOCRATIC REPUBLIC OF TIMOR-LESTE

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MDGs AND THE CRISIS NEXUS

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Thank you for inviting me to speak this morning.

Today, I will focus on the MDGs, the conflict nexus and what I see as being some of the reasons why fragile and post-conflict states and regions continue to fall behind in their ability to achieve the MDGs.

According to the World Bank, fragility and conflict affects 45 countries. Fragile states account for over one third of the world's extreme poor with an average poverty rate of 54%. On average these states have 50% higher prevalence of malnutrition, 20% higher child mortality and 18% lower primary education completion rates than the low income county average.

We also know that global actions and reactions over the past half decade have not alleviated but contributed to these conditions.

Last spring, the IMF and World Bank Joint Development Committee stated that the global financial crisis left a 'human and development calamity' estimating that by the end of this year, 2010, an additional 90 million people would be driven into extreme poverty – putting our ability to reduce poverty by 2015 "increasingly at risk".

Ladies and gentlemen,

Conflict and crises costs the global community an estimated 100 billion dollars per-annum.

The global financial crisis, much like any crisis, was unexpected and left the weakest more vulnerable. The world required swift and immediate responses, short term solutions, and long term policy reforms. But this is not unlike how we in fragile and conflict affected states have responded to crises for decades. As I said then when the GFC hit, Timor-Leste has been in a recession for 400 years.

If you consider that 40% of post conflict countries relapse into conflict within ten years, the cycle of conflict and instability undercuts the monumental efforts made by donor countries and governments alike to improve the lives of citizens, sacrificed by war, poverty and increased human suffering.

So we all clearly understand the urgency of addressing the most critical problems articulated in the MDGs, especially when it comes to fragile and conflict effected states and regions. This is one of the reasons why the International Dialogue on Peacebuilding and Statebuilding was established, to determine the best core responses to accelerate achievement towards the MDGs.

There is no doubt given the most recent indicators and global challenges, these regions present a unique set of adversities, described by Robert Zoellick as **"the toughest development challenge of our era"**.

So now is the time to rewire our approach.

When looking at the challenges that face fragile and conflict affected regions, I would pose the same questions that we asked ourselves in Timor-Leste

Can you undo in fifteen years what in some instances took decades, even centuries to create?

Even if we, as Government, in collaboration with international actors were able to create an accelerated environment of service delivery, accountability, conflict resolution, equality for all, a profoundly improved healthcare and education system during this short time, have we then factored the re-education process to change traditions, customs, practices and value systems, that in some instances have been passed through generations which are essential to render positive MDG results?

These were the questions that we considered when looking at the word “MDG achievement” in the context of Timor-Leste.

Just this year, Timor-Leste began using the phrase “moving from fragility to agility”, we began using this phrase when we realized that the answer to both these questions posed were –Yes, it is possible to achieve but i suppose you could say we learned this lesson by default.

Timor-Leste is relatively new to the world having only gained full independence in 2002, and very new in the MDG cycle, especially given the fact that 1990 is considered the baseline against where the progress is gauged.

So as far as the MDGs are concerned, Timor-Leste can be considered quite a miracle, given that being one of the newest and poorest countries, we were probably considered one of the countries least likely to demonstrate success.

Ladies and gentlemen,

After 400 years of occupation and 24 years of war, in 1999, we faced virtual destruction. 70% of the country’s infrastructure destroyed including our homes, our health facilities, irrigation systems and water supplies and four out of five schools demolished. We were a nation deeply traumatized.

However, one year later, Timor-Leste, then under the United Nations Transitional Administration, underwent a national consultation to produce a guiding document called Vision 2020, which formed the basis of the first national strategic development plan.

This was a countrywide process, involving 980 community consultations within the 498 villages, and a process which I was humbled to have been charged with leading.

In Vision 2020 it was noted:

*“For the first time in **our** history, we have been given the opportunity to voice **our** vision and **our** priorities, contributing to policy making on the future development of **our** country. The outcome is both moving and powerful.”*

The key word then and now is **OUR** ownership!

Before we embarked on these consultations I didn't know exactly just how powerful and meaningful the process would be. Our people had never heard of an M-D-G!

But all their desires, hopes and dreams articulated into exactly these same goals and with a profound sense of how we could achieve them - through reconstruction, reconciliation, recovery and unity.

This is when I learned - the buoyancy of the human spirit

So the MDG's are not complex propositions from the human perspective - to not be poor or hungry, to be educated and gainfully employed, to be considered and treated equal despite gender race or creed, to be healthy and to prevent illness and untimely death with access to health facilities, for our communities to be sustainable in a cared for environment and for our nation and its citizens to become responsible global participants in an ever evolving and challenging world.

These are the basic reflections and aspirations of humanity, from all parts of the globe, irrespective of the MDGs.

Yet if we fast forward seven years and eight billion dollars of international aid later, poverty in Timor-Leste had doubled. Every two years since independence, we in Timor-Leste experienced a crisis and with each crisis brought more confusion, fear and mistrust into our communities.

Those crises reached an apex in 2006.

By early 2007, 15% of our population was internally displaced throughout 65 refugee camps around Dili, a further 6,000 homes and buildings had been destroyed, crises had marred regional divides, the economy had recessed, unemployment was at its height, capital works had stalled and the country was in atrophy.

Stability was at risk by rifts between the police and army with further threats by armed rebel groups which prohibited Timorese from building sound and safe livelihoods.

With few social welfare programs to ease poverty, food insecurity was compounded by low productivity and import reserves too low for national consumption which caused rioting.

The lack of a viable private sector or public works programs resulted in few employment opportunities. Timor-Leste was considered on track to becoming a failed State and the farthest away from even considering achieving the MDGs.

Where did this money go? Our President has a phrase. He says that eight billion dollars was spent on Timor but not in Timor; we had plenty of advice - from different countries, from technical advisors from different cultural backgrounds and different economic approaches, some conservatives, some far less risk adverse.

In fact so much advice - that we have accumulated some 3,600 'reports' from donors,

international aid agencies and organizations on every aspect of nation building and statebuilding, most from the perspective of and in comparison to either developed nations or other developing nations.

All provide differing opinions; evidentiary conclusions and advice yet none were able to predict the slow demise of a new nation and what my Government would come to inherit in August of 2007.

Why? Because **we as a nation, had not taken ownership!**

So, despite the best efforts of congruent Timorese Governments and a supportive international community, the challenges that encumbered the course from conflict to post conflict continued to deter national development with civil unrest, poverty and economic recession.

I have often said, **you cannot build a nation on the policies of another.**

A nation must emerge from a distinctly individual path which comes with an unhindered understanding of the historical and cultural context, regional and linguistic complexities, social and political diversities and divisions and - in the case of Timor-Leste and other fragile and conflict affected countries – **the collective mentality which has lived on through fear and trauma, dislocation, disassociation, poverty, conflict and brutalization.**

This is not something that theory can teach or analysts can predict, or PhD's can pronounce authority over. **This is something lived and learned.**

To nation build, to tackle the challenges of sustainable development and to navigate those challenges unique to each country that can lead to recurring conflict, each country must define their own uniquely individual path and international actors must harmonize to that path.

This is the only path that binds a country into the true meaning of sovereignty **and it does not begin with prioritizing the MDGs, but prioritizing peacebuilding and statebuilding into the local context so that the goals articulated in the MDGs can be realized.**

The long term aims of international actors cannot replace the immediacy of urgent responses. Governments of fragile and conflict affected states must meet the immediate demands that threaten national stability before tackling these long term visions.

We, as Government, often must move quickly, take action and be supported the international partners. There can be no long term planning without first establishing an environment of peace, stability, and security.

For Timor-Leste, the Government promised a new direction with a vision that was deeply embedded in a nationalistic approach to statebuilding with an unhindered understanding of prioritizing firstly the Timorese experience.

The Government understood there was no model to be applied to guarantee a successful state; nor was there an applicable modality to solve the challenges that faced the nation.

From this we adopted some basic inalienable truths; **that** low levels of public spending had immobilized the country; **that** poverty could no longer be accepted as part of ‘sustainable development’; **that** political diversity had to replace an autocratic system which had polarized communities; **that** economic growth was contingent upon establishing peace and **in turn** peace could solidify economic growth and prevent further social unrest.

The cornerstone of success would be gauged through establishing a more efficient Government, through fiscal and administrative decentralization, devolution of power by a small few to a more even distribution of decision making and responsibility to line ministries and local communities; and for that to be effective, institutions of oversight would have to be established.

The Government began its mandate by setting national priorities which would be supported by new laws, strong social and fiscal policies and annual action plans. We set out to redefine the concept of “sustainable development” and replace it with “fast tracking development” which we considered key to ending the cycle of conflict we had experienced since independence.

A focus on aid effectiveness encouraged harmonization to the programs of the Government through the establishment of our National Priorities process which offered a framework for integration and coherence in both policy and programming for both Government and donors.

In 2010, the Government reached its mid-term; having set and implemented policies that would chart a distinctively individual path, which at times was lauded, at times unconventional and at times, controversial but always Timorese.

The approach was embraced because it was from Timorese by Timorese that understood the needs of our nation.

Now three years on, peace and stability has been reestablished and maintained. We managed to resettle 150,000 internal refugees in less than two years, even though by all accounts and advice received, we would not be able to achieve this milestone in less than ten years. We knew we did not have 10 years!

Security threats were resolved without further violence, our first pensions were paid to the elderly, veterans, and disabled; budget execution tripled and even in the face of the global financial crisis, Timor-Leste averaged three years of double digit economic growth and ranked in the top ten fastest growing economies in the world two years in a row.

Now our attention has shifted from short term solutions to long term priorities in areas like health, education, food security, justice and regional balance and our first set of data that is beginning to emerge from the past three years of arduous work is showing that our short-term peacebuilding and statebuilding actions have delivered results in those areas vital to achievement of the MDGs.

But I want to be clear on this.

When we tripled the State Budget, we were told by some international actors that the level of spending was not sustainable; my answer was: **poverty is not sustainable**.

When we paid pensions to the elderly, the veterans, the disabled, we were told that it would create a mentality of dependence; my answer was: is compassionate social welfare not a vital part of any healthy and functioning democracy?

My point is this - the advice was coming from a second country perspective, not a first country experience. The advice was not helping us with our decisions. It was imposing a judgment or foreign value system on what we knew at the time to be the right way for our people.

But we maintained our focus and our objectives in, keeping peace and stability, improving the conditions for our citizens, increasing service delivery and budget execution, establishing valuable initiatives like the Anti-Corruption Commission and the Civil Service Commission, building infrastructure including schools and health services, were achieved.

The country context is the cornerstone of peacebuilding and statebuilding. It is only with this recognition that the MDGs can be achieved, because they are executed within our world, within our sphere of understanding and within our terms.

Crucial to that is international dialogue to ensure the country context is supported by international actors and at the forefront is ensuring peace and stability which is the only banner under which any gainful and long term development can be achieved.

Lastly, we cannot wait so long to acknowledge failure, these are human lives at stake - and we **must know the current realtime status**. I will tell you my recent frustrations with our own MDG experience.

I suppose the rule of thumb is, if you don't have the latest data use the last known source. In a country like Timor-Leste, the last known source could be six years prior.

By example, the report "Achieving the Millennium Development Goals in an Era of Global Uncertainty: Asia/Pacific Regional Report 2009/10", launched in Manila by the United Nations in 2010 was assessed using data from surveys conducted in 2001, 2002 , 2003, 2004 and 2007.

However in these reports they do not tell reader these statistics are 9, 8, 4 years old - this is harmful to all the hard work our Government has done for our people in the last 3 years.

Given that, my country only has a little over one million people, I wonder what must be occurring in other countries that have thirty to forty million - How can we know the real accuracy of where we are or are not achieving and how can international policy and practices be analyzed and adjusted accordingly when we accept this standard of data collection and analysis?

MDG data collection must be easier, standardized, uniformed, and straightforward; reporting also needs to be standardized so that it cannot be a platform for politicization or manipulation - this process should not burden but complement our systems and the international community must help fragile institutions prepare for these indicators so we fragile states know in real time, where policies are working and where they are failing.

This would be harmonization and effective Government donor partnership.

With all this said, I would like to emphasize that the contribution of international actors is undeniable, specially in fragile and conflict affected regions - in some cases, this is our first opportunity to create global partnerships and these long term partnerships are vital.

Like any long term partnerships; they can be rocky, they can be smooth but most importantly dialogue is the path to better outcomes.

This is what I hope we can achieve together.

Thank you.

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