



DEMOCRATIC REPUBLIC OF TIMOR-LESTE

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# **TIMOR-LESTE**

## **MDG COUNTRY UPDATE**

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- ☐ Draft

Ladies and gentlemen,

Thank you for this opportunity to speak with you today about Timor-Leste's progress toward the achievement of the MDGs.

In 1999, following centuries of occupation and forced foreign rule, with support from UNAMET, the people of Timor-Leste asserted their long held wish for independence peacefully through the ballot box. The violence and destruction that took place in the wake of this most democratic of exercises has been well noted and I do not wish to recount the pain of Timor-Leste's past for you here today, but needless to say, the challenge of rebuilding our nation was immense.

Yet today, driven by an indomitable sense of self-determination and with the help of the international community, Timor-Leste has managed to emerge from domination and destruction and transition into a dynamic and democratic society.

Resolute and committed to working towards achieving the MDGs and driven towards creating long term economic prosperity for our people, Timor-Leste presents itself as a nation with a vision, a nation with a plan and a determination, at all levels, to achieving a better future.

However, we also recognize that this vision must be held collectively. If every Timorese man, woman and child is to reap the benefits of the democratic principles enshrined in our Constitution; to be free and to have the opportunity to live in a just and safe society – this vision must be shared.

Yet when assessing Timor-Leste's current context, what stands out more than our national commitment to the MDGs is that we are currently also enjoying the benefits of the prudent management of our nation's natural resources. Through the world class management of these resources, we have accrued savings exceeding the six billion dollar mark. This is why Timor-Leste is unique in that unlike other developing countries, we have a real opportunity to invest and enhance the long-term, sustainable development of our country.

In short, throughout the history of our country there has not been a Government **more committed and more able** to do the hard work involved in achieving the MDGs.

It is through these improvements in the management of the nation's public finances and our natural resources, that we are able to plan, for example, to commit approximately 30% of the annual budget to public health and basic education over the next decade.

Though we have at times struggled since restoring our independence in 2002, Timor-Leste remains a nation convinced that we have now entered what will be the next stage in our national

development. We are quickly moving from fragility to agility. We are doing so through effective reforms, advanced social and fiscal policies and accelerated development which has already begun to deliver tangible results.

Recently, Timor-Leste in concert with the United Nations commissioned a report which summarized the progress we have made as a country and as an international partnership. This study outlined advances made while listing what challenges remained along with the identification of further actions necessary to meet each of the 8 MDG goals. The following is a brief overview of some of the facts and findings from this review.

Ladies and gentleman,

Combating unemployment is a major challenge.

We estimated that approximately 15,000 new job seekers enter the market each year but as of 2007, only 600 new jobs were being offered by the private sector. As such, one of our major focuses will remain on creating an enabling environment for trade and promoting private sector growth.

The Government has made a focused effort to encourage subsistence farmers to integrate into local and national markets through the promotion of market oriented agribusiness with a focus on the social and economic benefits to communities, supporting wage generation and enhancing long term food security.

Upon Indonesia's withdrawal in 1999 some 70% of the country's infrastructure was laid waste. This destruction included such things as school buildings, clinics and other vital infrastructure. And so, when Timor-Leste began drafting its MDG targets in the areas of health and education, we were starting from a position of serious disadvantage.

In 2008, a new national curriculum for primary education was adopted with a focus on the eradication of illiteracy and the provision of adult education and other literacy programs in all of Timor-Leste's 13 districts.

Furthermore, the recent adoption of the Ministry of Education Organic Law, the Education Policy and the Basic Law on Education went further toward establishing the necessary framework for a new free and universal education system with nine years of compulsory education.

With these and other reforms, we have managed to increase the overall number of children reaching a 5<sup>th</sup> grade level from 56% to 73% from 2001-2007. We expect data collected on

subsequent years to show further positive gains in this regard.

In regards to gender, women played a crucial and highly respected role during our Resistance years however discriminatory practices in schools, the work place and family life still occur in Timor's traditionally patriarchal society but good progress is being made in this area.

On March 8 2008, a milestone for gender rights occurred with the signing of a declaration by the Government, the National Parliament, civil society and churches, ensuring that all parties are committed to the empowerment of women and gender equality.

Legislative and policy efforts from the Government of Timor-Leste continue to improve the role of women in Timorese society with much of this effort guided by the establishment of the Secretary of State for the Promotion of Equality in 2008 to strengthen women's rights and promote gender equality.

Key senior Ministerial positions in the current Government are held by women, including myself, the Minister of Finance, the Minister of Justice and the Minister of Social Solidarity and on June 28, a Timorese woman was elected as one of twelve new experts on gender issues to the committee of the United Nations Committee on the Elimination of Discrimination against Women.

Finally, one recent groundbreaking reform has been the passing of Timor-Leste's first Domestic Violence Law in May of this year requiring that police investigate domestic violence crimes and ensuring that victims have access to emergency medical help, shelter, psycho-social and legal support services. The law also requires education on domestic violence to be included in the school curriculum.

In regards to health,

In 2004, the National Immunization Strategy was approved with routine immunization services having been re-established and expanded through Timor-Leste's own community health program known as SISCa (Servisu Integradu Saude Comunitaria).

Our Demographic and Health Survey conducted in 2009 showed an impressive reduction of under-five and infant mortality rates with reductions in both cases by approximately 35% and close to a three-fold increase in full immunization coverage.

In 2009 Timor-Leste's National the National Tuberculosis Program **achieved the two key global targets** for tuberculosis control namely, a case detection rate of 75%, against a global target of 70%, and a treatment success rate of 85% among NSP cases registered in previous year.

Tuberculosis management and care has been a challenge due to low in-country technical capacity and inadequate infrastructure however I am pleased to say that tuberculosis services are now part of the Basic Services Packages of the Ministry of Health with the National TB Program having been expanded down to health facilities at even the most rural levels.

Although malaria continues to be a major public health concern, good progress is being made. In 2009 Timor-Leste reported a 50% reduction in malaria cases from the 2007 and a 31% reduction in child deaths from malaria since 2004.

Ladies and gentlemen,

Regarding Timor-Leste's natural resource base - while currently providing the financial basis for much of the positive work being undertaken toward achieving the MDGs, it remains fragile.

With only 13% of land suitable for agriculture the country faces challenges in producing enough food to feed our growing population. Households, especially in uplands, can face food insecurity for almost 4 months in a year but through proactive solutions, the state is seeking to address the issue by increasing food production whilst providing the safety net of subsidized rice along with markedly higher yield rates flowing from improvement.

In recent years, Timor-Leste has made a commitment to good governance, development and poverty reduction both domestically and internationally.

In 2009, the Government established the Civil Service Commission, the Anti-Corruption Commission, and has now joined the ranks of only three countries in the world to be designated as compliant by the Extractive Industry Transparency Initiative.

In 2009, newly initiated tax reforms gave Timor-Leste one of the lowest tax thresholds with the new tax regime ranking amongst the top twenty globally, increasing from 75<sup>th</sup> to 19<sup>th</sup> in the World Bank's Doing Business Report 2010.

Timor-Leste currently enjoys an observer status in ASEAN and hopes to have its application for full membership approved by 2012. Being part of this regional economic and trading block will offer tangible economic benefits however there are also a number of other benefits that would accrue to the country such as social and cultural exchange, freer labor movement, improvements in domestic governance, a strengthened justice system and being a generally more active regional partner. Such ascensions will also pave the way for the country's membership for WTO.

The country is deeply committed to the promotion of aid effectiveness as articulated in the Paris

Declaration and Accra Agenda for Action. An Aid Effectiveness Unit within the Ministry of Finance now provides oversight and manages information on external assistance. To that end the National Directorate for Aid Effectiveness publishes a Development Partners Disbursement Report providing a detailed tracking of aid through Ministries, Sectors and Districts. This is an important tool which is further enhanced by the timely contribution of information to the unit by many of our Development Partners. With these positive developments, Timor-Leste is rapidly moving in the direction of taking full ownership of donor assistance, and encouraging its alignment to our national priorities.

The soon to be released Strategic Development Plan (2011-2030), a summary of which was released to donors in April 2010, will also ensure that long-range planning can be sustained allowing for a greater understanding and alignment between development partners and the State.

In regards to other international initiatives,

Timor-Leste is also now the Co-Chair of the International Dialogue of Peacebuilding and Statebuilding and the Chair of the g7+, a new grouping which consists of some of the most fragile and post conflict countries in the world. Leading the dialogue with the international community on international engagement in post conflict and fragile states, Timor-Leste was host to the first International Dialogue in April 2010 where over 100 country representatives gathered to sign the landmark Dili Declaration.

Now, ladies and gentlemen, looking to the future,

In Timor-Leste we want to see a 100% ratio of girls to boys in secondary education, and a 100% ratio of literate women to men between the ages of 15-24 years. Increased education attainment for girls and women will lead to increased women's economic opportunities coupled with increased women's participation in decision making in the public sphere at all levels.

For Timor-Leste, the long-term vision is that by 2030 "No child perishes because of inadequate water supply, malnutrition, or lack of health care."

Timor-Leste the target is to have 86% of the urban population and 75% of the rural population with access to an improved water source by 2015.

While Timor-Leste has achieved MDG targets for TB and is on track for the reduction of malaria, the national goal is to curtail and reduce the prevalence of HIV/AIDS and increase awareness and education. We will also continue to increase coverage and quality of early detection of malaria cases, provide appropriate treatment, and ensure widespread use of insecticide treated bed nets to children under five and pregnant women.

To provide the long-term and sustainable backing for all of Timor-Leste's MDG aims, we will continue with our primary development strategy of diversifying the non-oil economy by creating enabling conditions for the private sector.

Our significant petroleum revenues will be used to improve social infrastructure facilities and generate economic activities resulting in GDP increases around 8% a year through improved productivity in agriculture, manufacturing and the service sectors including by tapping agricultural export potential.

Ladies and gentlemen, in closing,

Timor-Leste's long term vision is to "join the ranks of upper-middle-income countries" and "eradicate extreme poverty" by 2030, as articulated in our Strategic Development Plan. Timor-Leste was dealt a significant disadvantage in the form of events which took place in 1999 and 2006 crisis which resulted in our attention being spent on responding to immediate post-crisis needs and regaining peace and stability rather than the medium-long policies required for advancement toward achieving the MDGs.

While Timor-Leste remains for classified as a post-conflict state, today there is little left to prevent us from maintaining a firm focus on moving from fragility to becoming a nation of peace and stability. Although we have entered 2010 as a lower-income country, we have strong middle-income potential and when the people of Timor-Leste look toward the future, we are ambitious as to what we can achieve.

Thank you.

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