



***Operationalising Strategic Development Plan
for Effective Results***

**Presentation by the Government of
Timor-Leste
Infrastructure Development
Strategic Sector**

**Presented by:
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Excellencies the President of Republic, the President of National Parliament, Prime Minister

Distinguishes Members of Parliament

Dear colleagues Members of Government

Dear Development Partners, Head of Missions, Ambassadors, Head of Agencies.

Ladies and Gentlemen,

I have the honor to present the progress, key achievements, challenges of the Infrastructure Development Strategic Sector. This strategic sector falls within the competencies of 2 Ministries, the Ministry of Transport and Communications lead by my colleague Pedro Lay and the Ministry of Public Works lead by myself. I have very limited time to brief you on a very wide sector the expectations, some progresses made so far and some key challenges. Allow me to take you through the slides I have prepared:

OUTLINE

- 1. Background**
- 2. Key Progresses and Achievements**
- 3. Key Challenges**
- 4. The Way Forward**

Ladies and gentlemen, here is the outline of my presentation. I will take you to look at our reality of infrastructure conditions, introduce to you what we have been doing or what have we done? And projecting some of the key challenges in delivering major infrastructures and lastly I will also table some suggestions for consideration. Ladies and gentlemen, please take your seats and let me do my work, I hope you will enjoy it.

1. Background (1)

❑ Strategic Development Plan 2011-2030

- ❑ Timor-Leste still lack core productive infrastructures
- ❑ The priority is on building and maintaining core productive infrastructures
- ❑ Results expected will underpin the growth of our nation, increase productivity, create jobs, and support our private sector development

As we all aware, Timor-Leste up to this point in time, remained underdeveloped in terms of basic infrastructures, it is therefore we recognized in our SDP the lack of productive infrastructures. Without these, we will hardly do any better in developing our economy and other key sectors.

It is in this view, that the choice for the strategic sector of infrastructure is no other than prioritizing the building and maintenance of core productive infrastructures need to facilitate our national development and its many sectors.

We aware of the investment costs and challenges, particularly when we looked around there are very few limited delivery capacity but huge targets to be achieved. The choices we made to start investing for development are also been targets of criticisms, somehow we decided to build now or never.

Our hope is that with this investments in infrastructure sector will stimulate the growths, increase productivity, create jobs and helps develop our private sector.

1. Background (2)

□ Strategic Ministerial Plans

- To upgrade, build & maintain basic key infrastructures e.g. electricity, telecommunication, roads, airports & ports, water & sanitations infrastructures to international standards.
- Completion of National Electrification Project in 2103, and O&M Hera & Betano Power Plants through PPP.

Turning to the 5 Years Action Plans of the two ministries in infrastructure, we are mandated to deliver results it is “bold and clear”.

If you have the chance to read our plans, we plan to upgrade our infrastructures to the level needed by a nation (as we were only an occupied province), we plan to build new infrastructures based on the demand, and we are also aware about the importance of maintenance.

We invested courageously in the electricity and basic infrastructure despite a marathon of 2 years or so, it is due to complete with the transmission lines and the second power plant in Betano on the South-Coast by 2013.

1. Background (3)

Millenium Development Goals

- 80% of rural and 75% of urban population with access to drinkable water by 2015.
- 55% of rural and 77% of urban population with access to sanitations by 2015

We joined the big family of United Nations just in 2002, however we share the target set for in the Goals of Millennium Development. Despite late start, the targets are as you see on the slide, we will try our best to catch-up.

2. Key Progresses/Achievements (1)

- ❑ Major milestones of the National Electrification Project are due to complete in 2013.
- ❑ Built 2 new Power Plants with 250 mgws capacity and 9 Sub-stations
- ❑ Connection of 506km of transmission lines out of 603 km to complete the whole transmission item.
- ❑ Distribution lines project still on-going, so far 97,072 HHs connected and 9,000 HHs were provided with renovable energy. Currently 106,072 HHs having access to electricity.

Our National Electrification Project is due to complete this year and so far we erected many towers throughout our national territory to connect 603,545km of transmission lines. We have connected up to 506,979km so far. We are building 2 new power plants one in Hear near Dili in service now, and another one in Betano on the south-coast to be completed this year. We also built 9 Sub-stations spread-out in the country. The 2 power plants is expected to produce 250 MGWs to be able to provide 24/7 electricity to our people and stimulate industry and business so as other sectors. This is an achievement.

2. Key Progresses/Achievements (2A)

- ❑ Deregulated Telecommunication in 2012 and currently there are 3 operators in place.
- ❑ Dili International Airport Project at transaction structuring review stage (PPP). Mahata Port in Oecussi due to complete by August 2013. Tibar Port Project (PPP) is at transaction structuring report stage.
- ❑ Upgrading of national roads: 260 km on-going, 306 km under design and 410 km under consideration. About 70Km of District roads under –going rehabilitation.
- ❑ Positive progress is achieved on rural roads. For 2013 alone, 90 km of rural roads rehabilitation has already started out of 240 km programmed . Work on the remaining 150 km will start early August (see next slide)

We deregulated the monopoly in telecommunication and currently we have 3 operators on the ground.

Our Dili International Airport will be upgraded and we looked at PPP method to allow the private sector take share in our national development process. Currently the transaction report is being reviewed for Airport project.

While another mega project for Tibar Bay Port is being planned to replace our outdated Dili Port. It is also at the final stage of transaction report and same as for the airport project we are considering PPP method for this project.

We in cooperation with our development partners are now upgrading our national roads to international standards. Up to now our national roads are with different widths, ranged from 3 to 5 meters wide across the country. We are upgrading them to 6 meters plus shoulders and we expect that by 2017 we have already upgraded most of our national roads. Works are in progress for district roads rehabilitation.

We are also doing okay with rural roads, we plan to build and rehabilitate all our rural roads and currently under cooperation with Australian AID and ILO, we are progressing with 90km of works. While 150km will start soon to complete this year's target of 240km of rehabilitation.

I would like to introduce the work we do on rural roads, were about we deliver. As you will see on the map in the next slide, we are almost everywhere, however this is not the end, we have just started.

2. Key Progresses/Achievements (3A)

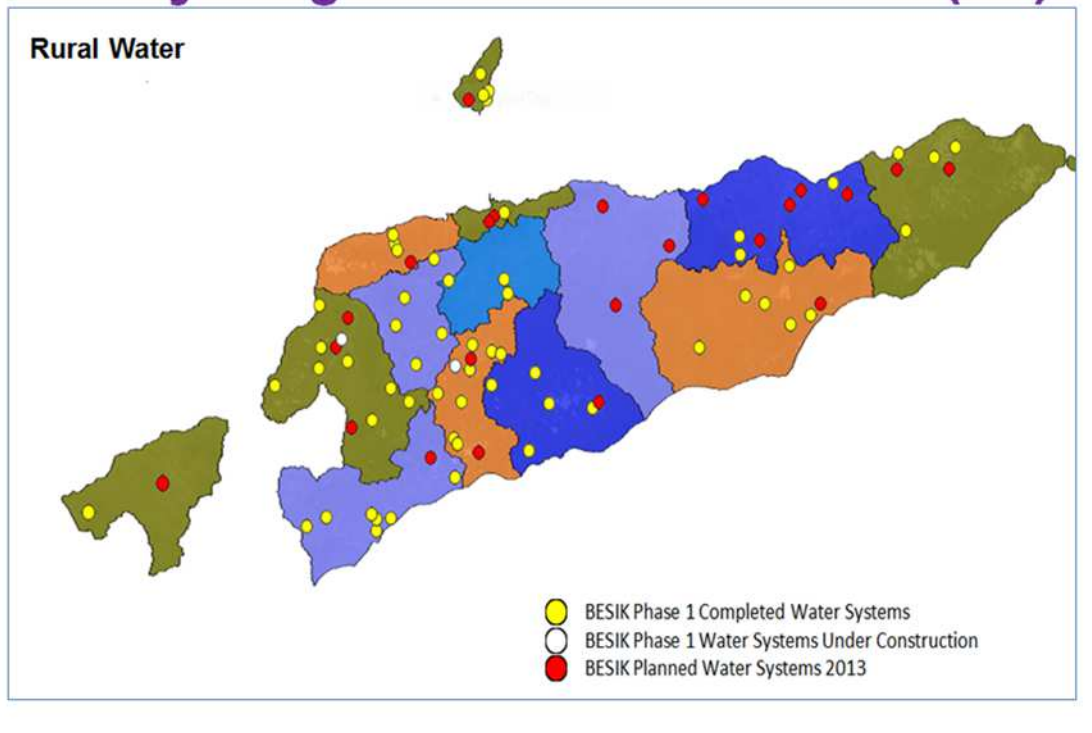
- ❑ MDG Tagets: Achieved 66% out of 80% of uban and 54% out of 75% of rual population with access to drinkable water by 2015.
- ❑ MDG Tagets: Achieved 25% (target 55%) of rural **81%** beyond target of 77%) of urban population with access to sanitations by 2015.
- ❑ Our BESIK Project coverage is as shown in the next slides

As I said earlier, we joined late but we are catching up. For urban sanitation, as you can see, we exceeded the expectation. We are doing not so bad, I hope.

Let me show you in the next slide on where do we work on rural water, particularly with our BESIK Project. We are also delivering rural water through our PDD projects which the result is not presented here.

2. Key Progresses/Achievements (3B)

Rural Water



The red dots are our plan to deliver this year.

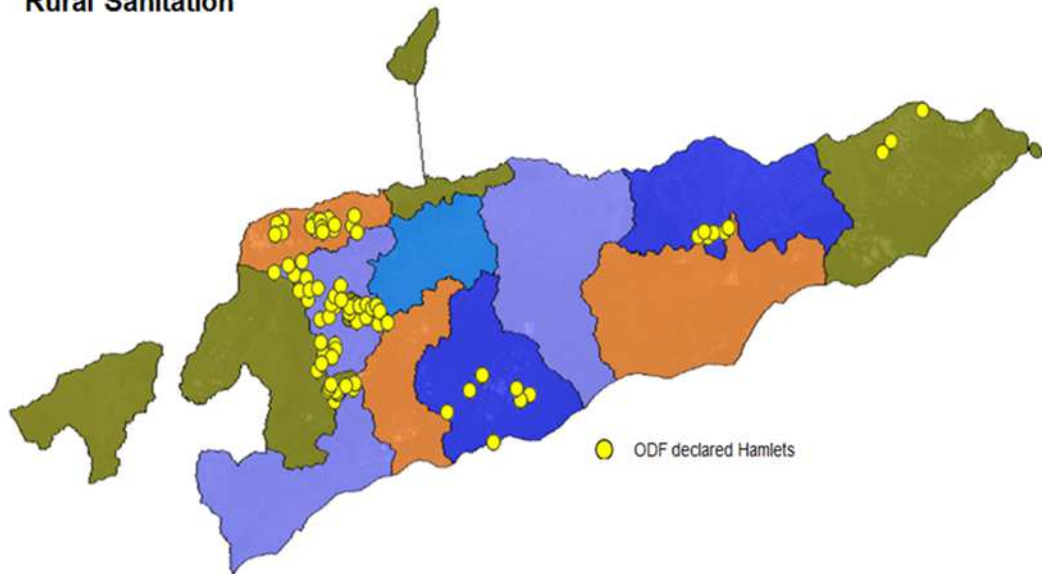
The white dots are works on progress

An the yellow ones are works been completed.

In the next slide I will also show you about our sanitation work.

2. Key Progresses/Achievements (3C)

Rural Sanitation



Under BESIK project we are currently concentrated largely around Ermera and Liquica Districts but as you see we are trying to reach out.

3. Key Challenges

- ❑ Capacities both in terms of human resources as well as institutions to deliver the SDP
- ❑ The national private sector is under-developed, supervision and construction capacities remained low
- ❑ The maintenance of existing and to be built and upgraded infrastructures will be an issue should there is no change to the current practice.

I am trying to be very frank. when I looked at the SDP there are very big targets to be achieved and as I looked around there are also very few capacities to deliver to meet these targets.

So I think you share with me that we need to do more on capacities both of human resources to program, plan and execute the plan as well as the institutions' capacity to smooth the development processes.

Another key aspect but still very much under-developed is our national private sector. We have plenty of major and mega projects in the pipeline, but I am afraid that our national private sector will not be ready yet when we rolling out this projects for implementation. We build capacity as we go, but we could not afford to wait much longer. So the choice is limited, we have to deliver the programs, we should deliver with quality so that the high cost and huge investment we are to be making will last for generations and generate returns for our nation.

As we investing now we also need to maintain, so that we are not just set or build and forget (about the maintenance). It is always better to spend \$1 on maintenance than \$5 on rehabilitation and many more on reconstruction.

4. The Way Forward

- Continued leading by national government with extensive dialogue and improved coordination between Government departments as well as with Development Partners is necessary.
- Continued monitoring and reporting against targets serves as self-assessment of performance
- In delivering and meeting SDP targets, the role of Development Partners is important, particularly in delivering major infrastructure projects

We cannot work in isolation, we need to talk and seek different views so that we can share better. So we really need to Partnering for Development.

With the reports we have submitted recently we learned that it was a good exercise. It was a kind of self-performance assessment, so we should keep doing it.

Lastly, let's partnering for development, it doesn't need a very bright concept and hundreds of workshops to understand it well. I view it in a very simplistic way, that when we have mutual respect and understanding, we know our roles and limits, and talk and act in accordance with the national context, I believe we all are safe in this development journey, we drive and when we look back you are also in same vehicle, and let's get to destination safe and happy.

I hope I didn't send anyone out or make some to fall asleep.

Thank you for your kind attention.