



Democratic Republic of Timor-Leste 2013 Development Partners' Meeting

BACKGROUND PAPER

IMPLEMENTING THE STRATEGIC DEVELOPMENT PLAN

**DILI, TIMOR-LESTE
18-20 June 2013**

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Introduction

1. The Fifth Constitutional Government, led by Prime Minister HE Kay Rala Xanana Gusmão took office in August 2012. The election result was an endorsement of Prime Minister's Fourth Constitutional Government and the policies set out in the *Timor-Leste Strategic Development Plan 2011-2030 (the Timor-Leste Strategic Development Plan)*.¹
2. The people of Timor-Leste struggled for twenty-four long, hard and difficult years to achieve our independence. When we finally realised our dream of a re-born Democratic Republic of Timor-Leste in 2002 we were faced with a new set of challenges. We lacked basic infrastructure - ninety per cent of our schools, hospitals and roads and other basic infrastructure had been destroyed in the post referendum violence of 1999. We didn't have the apparatus of a State, and we were a people scarred by conflict.
3. We had to embark on a new process - of peace building and State building. The people of Timor-Leste will always be thankful for the support of the United Nations, and our friends in the international community, who helped us build from scratch the foundations of our democratic institutions.
4. Since becoming independent, in 2002, Timor-Leste has made remarkable progress. We have had set backs, and there is still much to be done, but overall we are a "success case" in international development. Last year Timor-Leste held presidential and parliamentary elections that consolidated our young democracy. The peaceful elections were followed by the withdrawal of the United Nations Mission and of the International Stabilisation Force - a sign of confidence in our progress. Timor-Leste now stands on its own two feet as an independent sovereign nation.
5. There are some stark statistics that reflect our success in the *2013 Human Development Report*. In 1980 the life expectancy at birth of the average Timorese was 35 years. By 2000 this had risen to 56 years, and in 2012 it was 63 years.²
6. Timor-Leste has a Human Development Index value of 0.576 and is ranked 134 out of 187 countries and territories placing us in the medium human development category. Between 2000 and 2012, our Human Development Index ranking has increased by 38 per cent from 0.418 to 0.576. Timor-Leste's GNI per capita increased 356 per cent between 2000 and 2012.³ Timor-Leste's non-oil GDP has grown at nearly 12 per cent annually over the past five years.
7. When financial resources started to flow from oil reserves in the Timor Sea we put systems in place to allow for inter-generational equity and to combat corruption. We established a Petroleum Fund that has grown from \$1.8 billion in 2007, the year the Fourth Constitutional Government came to office, to over \$13 billion this year.
8. We were the first in Asia, and third nation in the world, to be compliant with the Extractive Industry Transparency Initiative so that every dollar that comes in from petroleum revenue is publicly disclosed and matched with the records of the resource companies. We are creating a highly

¹ *Timor-Leste Strategic Development Plan 2011-2030*, Dili, July 2011, http://timor-leste.gov.tl/wp-content/uploads/2012/02/Strategic-Development-Plan_EN.pdf

² *The Human Development Report 2013 The Rise of the South: Human Progress in a Diverse World*, UNDP, Explanatory note on 2013 HDR composite indices Timor-Leste

³ *The Human Development Report 2013 The Rise of the South: Human Progress in a Diverse World*, UNDP, 2013

transparent financial system; where anyone in the world eventually will be able to track the budget being executed in real time, track aid expenditure, track procurement and most importantly, results.

9. Throughout the last decade, successive Government's social and economic policies have sought to reduce poverty among our people, to consolidate the security and stability of the nation and to build and strengthen State institutions. The on-going processes of peace building and State building have been vital to meet the needs of our people in the areas of health, education, job creation and the eradication of extreme poverty.

10. Our greatest achievement is that Timor-Leste has become a safe country in under a decade. Our children feel safe to leave their homes to attend school, and families feel safe to be out after dark. Most post-conflict countries take at least 10-20 years to restore stability. Today Timor-Leste benefits from peace, stability and a clearly growing economy. All these features are gradually being reflected in the overall improvement of the people's wellbeing.

11. Despite this progress, there is still much to be done. Like many other post-conflict nations we are not on target to reach a single Millennium Development Goal. Timor-Leste faces significant challenges, particularly in relation to the delivery of quality services, the lack of basic infrastructure, and unemployment. All these challenges must be overcome in order for our nation to be able to eradicate poverty.

12. The 2013 Timor-Leste Development Partners' meeting presents us with an exciting opportunity to focus the efforts of all our development partners on the implementation of the *Timor-Leste Strategic Development Plan* which is the framework for the Fifth Constitutional Government's Program and our annual budgets. It builds on national priorities developed since 2002 and takes into account broad public consultations in all 65 sub-districts throughout 2009 and 2010. The strategies and actions in the plan seek to transform Timor-Leste from a low-income country to a medium-high income country by 2030, with a healthy, educated and safe population that is prosperous and self-sufficient in terms of food.

13. Following the election of the Fifth Constitutional Government in July 2012 the new Government presented its program to the National Parliament in accordance with the Constitution. The Program of the Fifth Constitutional Government, 2012-2017 builds on the *Timor-Leste Strategic Development Plan* focussing on the implementation of initiatives during the five years of the Government.

14. In April 2013 the Government established a Development Policy Coordination Mechanism to implement, monitor and coordinate the *Timor-Leste Strategic Development Plan* and the Program of the Fifth Constitutional Government over the next five years. The Development Policy Coordination Mechanism is country-owned and country-led and aligned to the Government's planning and budgeting system. It includes representatives from civil society, the private sector and our development partners and will be integral to the success of the Government's efforts to implement the *Timor-Leste Strategic Development Plan*.

Key Timor-Leste Strategies Programs and Initiatives

15. In the early years following the restoration of independence Timor-Leste had to respond to pressing and short-term issues to improve the immediate needs of the population. We were caught in a cycle of conflict that prevented long term planning and performance monitoring. After the 2006 crisis, by necessity the Government focused on short-term priorities and the re-establishment of security and stability throughout the country. These priorities were set out in the annual National Priorities Program that was initiated in 2008. This Program identified the specific needs of the forthcoming year, which were then monitored by working groups led by the responsible Minister and Ministries. Importantly, the working groups included civil society and development partners.

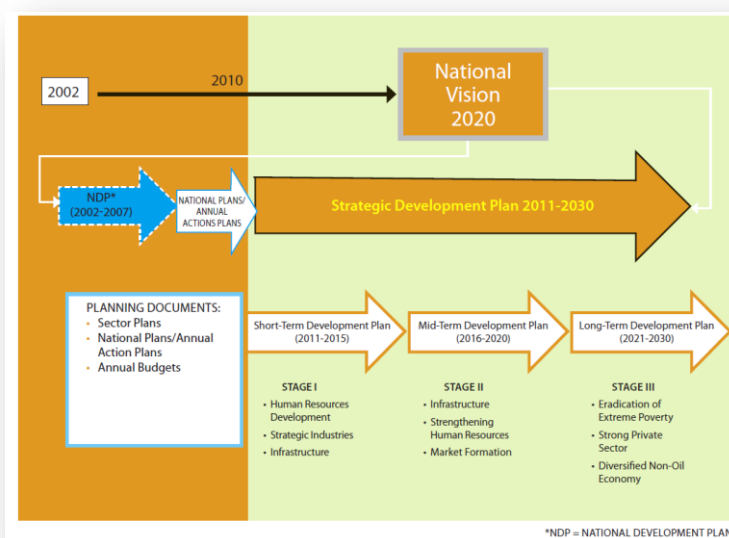
The Timor-Leste Strategic Development Plan 2011-2030

16. Following a period of national dialogue that led to the root causes of conflict being addressed, Timor-Leste has now enjoyed a sustained period of peace and stability. This has allowed long term planning to take place, and on 12 July 2011, the *Timor-Leste Strategic Development Plan* was launched at the 2011 Timor-Leste Development Partners' Meeting.

17. The *Timor-Leste Strategic Development Plan* provides a long-term framework to realise Timor-Leste's vision to become an upper middle-income country, with a healthy, well educated and safe population by 2030. The plan sets out an integral package of strategic policies to be implemented in the short-term (one to five years), in the medium term (five to ten years) and in the long-term (ten to 20 years).

18. The *Timor-Leste Strategic Development Plan* is framed around four pillars; social capital, infrastructure development, economic development, and the institutional framework. At the 2011 Timor-Leste Development Partners' Meeting, the Government of Timor-Leste and our development partners agreed that the *Timor-Leste Strategic Development Plan* would be the overarching framework for all future programs and projects.

Figure 1 Staging the Timor-Leste Strategic Development Plan



The Program of the Fifth Constitutional Government 2012-2017

19. The Fifth Constitutional Government was formed in August 2012. The Program of the Fifth Constitutional Government, 2012-2017 (the *Government Program*) was passed by the National Parliament in August 2012.⁴ The *Government Program* is based on the *Timor-Leste Strategic Development Plan* and policies announced during the 2012 election campaign.

20. The *Government Program* provides a pathway for developing the country over the next five years. It lists what needs to be done in the short term, incorporates medium term strategies and ensures alignment with the long-term goals. It aims to create jobs and deliver better living conditions for the entire Timorese population as soon as possible, and it gives a structure to the Government's ideas and ideals.

21. The new Government has presented two budgets to the National Parliament, the Rectification Budget and the Year 2013 budget.

Achievement of Millennium Development Goals

22. World leaders at the United Nations Millennium Summit in 2000 agreed on a set of eight time-bound and measurable goals for combating poverty, hunger, illiteracy, disease, discrimination against women and environmental degradation. At the time of the Summit, Timor-Leste was under the United Nations Transitional Administration. Soon after our independence in 2002, Timor-Leste integrated the Millennium Development Goals into our first National Development Plan and subsequent plans and programs.

23. Timor-Leste recognised that the Millennium Development Goals in the areas of poverty, hunger, malnutrition, education, health, gender equality and environmental sustainability, would provide a real basis to greatly improve people's lives. However, like many other post-conflict and fragile nations, Timor-Leste is unlikely to reach the Millennium Development Goals by the target date of 2015. The areas that remain particularly challenging include poverty, underweight children, maternal mortality and sanitation.

24. Timor-Leste is making significant progress in relation to two goals: achieving universal primary education, and promoting gender equality and empowering women. Timor-Leste has surpassed its Millennium Development Goal targets set in 2004 for both the under-five mortality rate [96/1,000 live births] and infant mortality rate [53/1,000 live births]. The short term 5 year targets and actions in the *Timor-Leste Strategic Development Plan* are intended to help drive Timor-Leste's efforts to achieve as many of the Millennium Development Goal targets as possible.

The New Deal, g7+ and the post 2015 development agenda

25. Timor-Leste is working together and in solidarity with fragile nations on peace building and state building. Timor-Leste leads the g7+ group of 18 fragile nations, which is a forum that provides a united voice to advocate for change in global development policies. The g7+ countries know from bitter experience that it is not possible to eradicate poverty without peace and stability. While these nations are different in geographic locale, linguistics, history, culture, tradition, religion and the root causes of fragility, they share many similarities in their experiences of peace building and State building. The peer to peer mechanisms combined with the international initiative of the International Dialogue on

⁴ available at: <http://timor-leste.gov.tl/wp-content/uploads/2012/09/Program-of-the-Fifth-Constitutional-Government.pdf>

Peace Building and State Building, of which Timor-Leste is the co-chair, have, for the first time in history, provided the opportunity for the members of the g7+ to shape and influence global policy.

26. The g7+ nations are also working closely together to ensure the post-2015 development agenda addresses the need for peace and stability, and that the perspectives of fragile States are central to the global dialogue.

27. This shift in agenda setting reflects the principles of the New Deal for Engagement in Fragile States that was released on 30 November 2011 at the 4th High Level Forum on Aid Effectiveness in Busan, South Korea. The New Deal had been developed and endorsed by the g7+ through the International Dialogue forum. It is based on the need for developing countries to know their own reality (social, political and economic), their weaknesses and their potential, so they can conduct their own development process in a credible, responsible and gradual way.

28. The New Deal will encourage the sustainable development of fragile States, enabling better leadership by the recipient countries and better coordination of international assistance. This new approach is not only necessary, it is urgent. Around 1.5 billion people across the world live in areas affected by fragility, organised crime and conflict.

29. Timor-Leste is also making a substantial contribution to the post-2015 development agenda through Finance Minister, Emilia Pires, who was a member of the High Level Panel advising the United Nations Secretary General on this agenda.⁵

30. As part of Timor-Leste's commitment to the post-2015 agenda in February this year, leaders from the g7+ nations, Asia, the Pacific Islands and Australia and New Zealand attended an international conference hosted by the Government in Dili with the theme "Development for All". The Conference agreed on the "Dili Consensus" that set out our priorities, and hopes, for the post-2015 development agenda.

31. The Dili Consensus recognised that the standard approaches to development have failed to acknowledge that the challenges we face vary depending upon local context. That means the problems and solutions to achieving human development will differ from a Southeast Asian nation compared to one of the Pacific island nations and that it will not be possible to eradicate poverty in the Asia Pacific, and across the world, without first addressing the issues of fragile and conflict affected countries.

The Timor-Leste Development Policy Coordination Mechanism

32. In April 2013 the Government approved the establishment of a Development Policy Coordination Mechanism to implement, monitor and coordinate the *Timor-Leste Strategic Development Plan* and the *Government Program* over the next five years. Based on the lessons learned from the National Priorities Program, the Development Policy Coordination Mechanism is country-owned and country-led and aligned to the Government's planning and budgeting system.

33. The Agenda for the Timor-Leste Development Partners' Meeting is structured around four Strategic Sectors identified as part of the Development Policy Coordination, namely the:

- Social Strategic Sector
- Infrastructure Development Strategic Sector

⁵ A copy of the Report of the Secretary-General's High Level Panel of Eminent Persons on the Post-2015 Development Agenda is available at <http://www.un.org/sg/management/hlppost2015.shtml>

- Economic Strategic Sector, and
- Governance and Institutional Development Strategic Sector.

Objectives and Functions

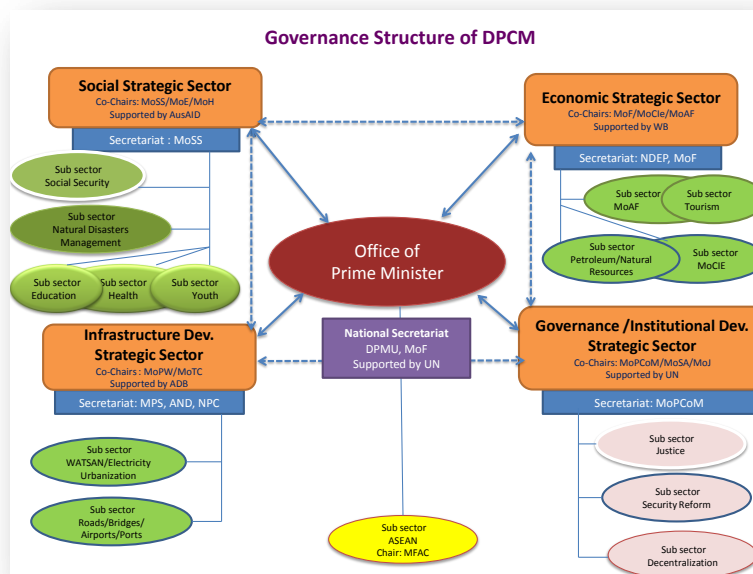
34. The objectives of the Development Policy Coordination Mechanism are to identify Government priorities and improve inter-ministerial coordination; plan, coordinate, implement and monitor development programs using a whole of government approach; and serve as policy dialogue forum between the Government and development partners.

35. The Development Policy Coordination Mechanism will monitor progress, challenges and results of implementation of the *Timor-Leste Strategic Development Plan* and the *Government Program* over the next five years. It will support line ministries to formulate ministerial/sectoral development plans and to link annual action plans to the budget, the *Timor-Leste Strategic Development Plan* and the *Government Program*. Importantly, it will be a way to ensure multi-stakeholder cooperation where more than one ministry is involved in multi-sector programs/projects.

Governance Structure

36. The Development Policy Coordination Mechanism structure is shown in Figure 2.

Figure 2 Governance structure of the Development Coordination Mechanism (DPCM)



37. The Office of the Prime Minister, with the support of the Ministry of Finance, is managing the Development Policy Coordination Mechanism and providing oversight to the four strategic sectors. The four Strategic Sectors Working Groups are aligned with the four pillars of the *Timor-Leste Strategic Development Plan* and the *Government Program*, and coordinate relevant development policies over multi-sectors.

38. The Strategic Sectors Working Groups are co-chaired by relevant Ministries on a rotation basis every 3-6 months, and will be supported by the designated development partners. Secretariats for Strategic Sectors Working Groups are being established in the responsible ministries. A National Secretariat is being established under the Office of Prime Minister to help coordinate various levels of inputs from dedicated secretariats.

39. The key relationships are set out in the table below.

Figure 1 Sector Working Groups membership

Strategic sector	Co-chairs	Supporting Development Partners	Secretariat	Participants (in addition to private sector, civil society & relevant strategic development partners)
Economic Strategic Sector	<ul style="list-style-type: none"> Ministry of Finance Ministry of Commerce, Industry and Environment Ministry of Agriculture and Fisheries 	The World Bank	National Directorate of Economic Policy, Ministry of Finance	Government: Ministry of Finance, Ministry of State Administration, Ministry of Agriculture and Fisheries, Ministry of Petroleum and Mineral Resources, Ministry of Tourism and Ministry of Commerce, Industry and Environment
Social Strategic Sector	<ul style="list-style-type: none"> Ministry of Social Solidarity Ministry of Education Ministry of Health 	AusAID	Ministry of Social Solidarity	Government: Ministry of Education, Ministry of Health, Ministry of Social Solidarity, Ministry of Commerce, Industry and Environment, Ministry of Tourism, Secretary of State for the Promotion of Equality, Secretary of State for Youth and Sports, Secretary of State for Professional Training and Employment Policy
Governance and Institutional Development Strategic Sector	<ul style="list-style-type: none"> Ministry of State and the Presidency of Council of Ministers Ministry of State Administration Ministry of Justice 	United Nations	Ministry of State and the Presidency of Council of Ministers	Government: Ministry of State and the Presidency of Council of Ministers, Ministry of Defence and Security, Ministry of Foreign Affairs and Cooperation, Ministry of Justice, Ministry of State Administration, Ministry of Finance, Secretary of State for Parliamentary Affairs, Secretary of State for Institutional Strengthening, National Development Agency, Civil Service Commission, Anti Corruption Commission, National Election Commission
Infrastructure Development Strategic Sector	<ul style="list-style-type: none"> Ministry of Public Works Ministry of Transport and Communication 	Asian Development Bank	Major Project Secretariat, National Development Agency, National Procurement Commission	Government: Ministry of Public Works, Ministry of Transport and Communications

40. Sub-Sectors Working Groups will be established under each Strategic Sector, where necessary. The Sub-Sectors Working Groups will be hosted by relevant line ministries and supported by their development partners. The Sub-Sector Working Group for ASEAN will be established directly under the Office of the Prime Minister. The National Secretariat will be established under the auspices of the Development Partnership Management Unit in the Ministry of Finance with the support of the United Nations and other development partners. The Aid Transparency Portal will be used to manage external assistance in accordance with the *Timor-Leste Strategic Development Plan* pillars and sub-pillars.

Timor-Leste up-date

Government

41. The successful and peaceful conduct of elections for the President of the Republic and the National Parliament was an important milestone in the process of peace building and State building for Timor-Leste. Two rounds of voting for the Presidency and one round of voting for the National Parliament took place in an orderly and peaceful manner without incident across the whole nation.

42. His Excellency, Taur Matan Ruak, was elected the new President of Timor-Leste. Following the new President coming to power, on 7 July 2012 elections were held for the National Parliament. Four parties gained representatives in the National Parliament and three parties subsequently formed a new Government.

43. The new Government is a coalition of the National Congress for Timorese Reconstruction (CNRT), Partido Democratico and FRENTI-Mudança. The leader of CNRT, Xanana Gusmão was re-elected Prime Minister for a further five year term. This result allows the Fifth Constitutional Government to continue to build on the foundations of a peaceful and stable nation that were laid down by the Fourth Constitutional Government.

44. The new Government comprises the Prime Minister, the Vice Prime Minister, 15 Ministers, 12 Vice Ministers and 26 Secretaries of State. See Appendix E for a full list of the Ministry. The members of government have been appointed in accordance with an organisational structure aligned to the implementation of the *Timor-Leste Strategic Development Plan*.

45. For the first time in Timor-Leste's young history, the Fifth Constitutional Government was provided with an extensive and comprehensive handover from the previous Government. This handover formally took place during the 2012 Development Partners' Meeting and ensured there was a smooth transition to the new administration and set an important precedent in good governance and the State building process. The handover reports provided transparent information on the organisational and staffing structure of Ministries, the programs and projects that they are undertaking, budget information, relevant legal frameworks and the capacity in place to support the program of the incoming Government. As a result the incoming Government did not have to start from scratch, and development continued without disruption from day one of the new administration.

Economic Strategic Sector issues

46. The Economic Strategic Sector Working Group is one of four working groups established to coordinate the implementation of the *Timor-Leste Strategic Development Plan* and the Program of the Fifth Constitutional Government over the next five years. The Economic Strategic Sector Working Group is co-chaired by Ministry of Finance, Ministry of Commerce, Industry and Environment, Ministry of Agriculture and Fisheries with the National Directorate of Economic Policy, Ministry of Finance, providing secretariat services. The lead supporting development partner is the World Bank. The following section sets out the policy framework and the Government's key priorities for this sector over the next five years. More detail can be found at *Appendix A: Economic Strategic Sector Working Group Program*.

47. Timor-Leste's economy has grown at one of the fastest rates in the world and our strong economic performance since 2007 is predicted to continue. The achievement of sustained peace, stability and security provided the foundation for increased business confidence. Government and economic policy settings have supported growth with an open economy, expansive fiscal policy, tax reform, communications industry liberalisation and improved infrastructure. While growth has been strong,

inflation has presented an economic risk. Determined efforts have been made to ensure inclusive growth, with transfer payments and extensive district development programs, but significant levels of poverty remain that the Government is working to reduce. While data is not yet available, the departure of the United Nations Integrated Mission in Timor-Leste appears to have had only a marginal impact on the level of economic activity, primarily in the hospitality and housing sector.

48. The *Timor-Leste Strategic Development Plan* sets out a long-term policy framework to build a diversified economy. This includes an approach of 'front loading' fiscal policy to build the core productive infrastructure necessary to support a strong economy and develop a sustainable private sector. It also proposes developing three key strategic industries, which are petroleum, tourism and agriculture, to underpin Timor-Leste's economic base. A program of economic reforms, including establishing Special Economic Zones, telecommunications liberalisation, opening of a development bank and simplification of business regulation will also provide impetus for further progress and, most importantly, create investment opportunities and employment.

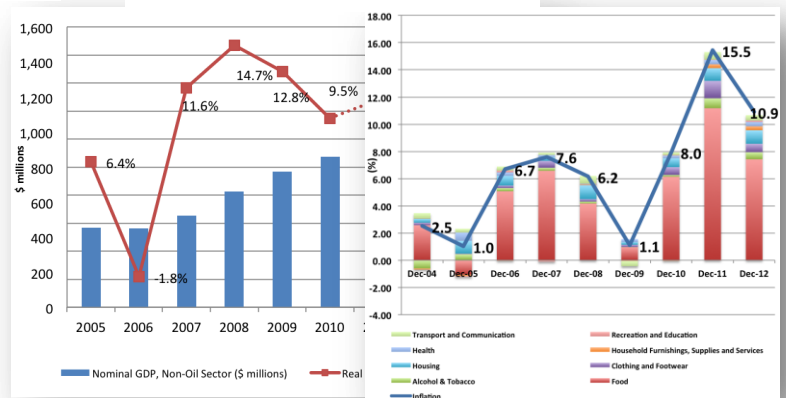
Economic Growth

49. Despite difficult global economic conditions since 2007, growth rates have averaged in excess of 10% per year and are predicted by the International Monetary Fund to continue at these levels. This growth has had a transformative effect on the Timor-Leste economy, promoting confidence in the future, encouraging business start-ups and creating jobs.

Figure 3 GDP growth 2005-2013

50. Economic growth has supported the rise of a Timor-Leste middle class which is the key to driving sustained domestic expenditure and supporting a diversified private sector. A key challenge for Timor-Leste will be to ensure economic growth is inclusive and balanced across the nation. Major national policies supporting economic growth in the districts, political and administrative decentralisation and the Millennium Development Goals Suco program, along with large social assistance and transfer programs for the elderly, disabled and veterans, are just some of the policies designed to ensure the benefits of economic expansion are shared throughout Timor-Leste.

Figure 2 Inflation 2004-2012



Inflation

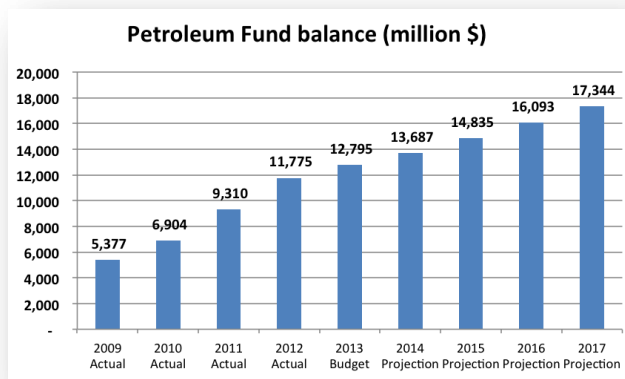
51. While Timor-Leste enjoys strong levels of growth, inflation is a key economic risk. Inflation has increased since December 2009, reaching double digits in March 2011 and peaking at over 14% in late 2011. Inflation has since moderated but continues to be above Government targets and has put pressure on local purchasing power and international competitiveness. Timor-Leste does not have the monetary policy levers available to other nations to contain inflation and as we are a small economy there is limited absorptive capacity. Cost increases have been associated with depreciation of the US dollar as the Timor-Leste economy relies heavily on imported goods and services. Expansive fiscal

policy associated with the building of core infrastructure and transfer payments has also impacted price levels with supply being unable to balance increasing demand.

Petroleum Income

52. Petroleum income is of great importance to Timor-Leste and has a very significant economic impact. After production from offshore oil and gas fields commenced in 2004, Government annual inflows through royalties and taxes have increased rapidly. At the end of the first quarter of 2013 the Petroleum Fund is holding \$13 billion. Timor-Leste is one of the world’s most oil dependent countries, with around 90% of the budget financed from oil income. The Petroleum Fund Law, passed by the National Parliament in 2005 and amended in 2011, requires that all petroleum income is directed to the Petroleum Fund which is then invested prudently in international financial assets consisting of bonds and equities. A suitable amount is transferred to the State Budget pursuant to National Parliament’s approval. This transfer is guided by the Estimated Sustainable Income (estimated at 3%), which is the amount that over time can be spent without depleting the petroleum wealth. The Revenue Watch Institute 2013 Resource Governance Index report noted that “Timor-Leste has adopted transparent and accountable systems for managing its oil wealth”.⁶ Timor-Leste was ranked 13th out of 58 countries surveyed and ranked above some of our development neighbours for safeguards and quality controls.

Figure 6 Petroleum Fund balance (million \$)



Long Term Fiscal Policy and Estimated Sustainable Income

53. Although the 2013 State Budget involves spending only the Estimated Sustainable Income, within the next four years the Government is likely to require excess withdrawals to fund necessary infrastructure spending. As domestic revenue increases and capital expenditure eventually declines, excess withdraws will not be necessary. The Estimated Sustainable Income imposes budgetary discipline and remains the long-term core yardstick for Timor-Leste’s fiscal policy. The International Monetary Fund assists Timor-Leste in determining the Estimated Sustainable Income. The Timor-Leste Government is committed to ensuring our public expenditure levels are sustainable.

Economic direction

54. The *Timor-Leste Strategic Development Plan* provides a framework to develop and structure our economy to support a diversified and inclusive market economy with a strong private sector. This includes expansion of our agriculture sector, building a thriving tourism sector and encouraging the growth of cooperatives and small and micro businesses. However, poor national infrastructure and

⁶ <http://www.revenuewatch.org/rgi/report#fig1>

human resource constraints currently inhibit Timor-Leste's economic development. That is why dedicated funds, the Infrastructure Fund and the Human Capital Development Fund, have been established to build productive infrastructure and train and educate our people.

55. To achieve Timor-Leste's long term vision, policy settings are designed to transform the structure of the economy – moving away from the current heavy weighting on subsistence agriculture and the public sector, towards a growing private sector with thriving cooperatives, mature industries and an expanding service sector. This will also see the creation of jobs and a shift in employment towards cooperatives and the service and industry sectors.

Agriculture

56. The *Timor-Leste Strategic Development Plan* identifies projects and programs to address challenges and exploit opportunities in our agricultural sector. One of the key targets was to be self-sustainable in food production by 2020. While we have a long way to go we are on track to reach this target. Crop yields and production were low in 2011 due to unfavourable seasonal conditions. However 2012 was a much better year for Timor-Leste's farmers. Rice and maize production levels in 2012 were much higher than in 2011, and the total production of staple crops increased from a little more than 100,000 Mt in 2011, to nearly 200,000 Mt in 2012. This achievement is confirmed by rice importation figures. In 2011 about 100,000 Mt were imported and this figure declined to less than 40,000 Mt in 2012. This increase in production is attributed to timely and plentiful rains, use of improved seeds and planting material, mechanisation, and farmers learning from the Government's extension services.

57. During the last six months, Ministry of Agriculture and Fisheries National and District Directorates engaged in strategic planning exercises to produce a practical road map - the Medium Term Operation Plan - for the Ministry and its stakeholders. The Medium Term Operation Plan addresses the most pressing needs in Timor-Leste's agricultural sector over the next five years. It will guide development interventions and be the basis for further planning in the Ministry of Agriculture and Fisheries.

Tourism

58. The *Timor-Leste Strategic Development Plan* designates tourism as one of the three strategic industries that will underpin Timor-Leste's economic development. Timor-Leste's natural beauty, culture and history make the tourism industry a unique industry sector and a developed sector will create jobs, affirm our history and build businesses that both visitors and nationals can enjoy.

59. The Government is strategically positioning Timor-Leste as a regional leader in the eco, marine, historical and adventure tourism markets. As part of the Government's tourism push it is rehabilitating infrastructure, including the national airport, telecommunications and roads on key tourist routes, particularly the newly named Great North Coast Road from Com to Balibo.

60. In the Eastern Tourist Zone, that extends from Tutuala through to Com and Baucau and along the coastal road to Hera, the Government is undertaking major road projects and is working with local businesses to provide authentic eco-tourism experience for our visitors including promotion of the Nino Konis Santana National Park.

61. As Dili as is the primary gateway to the nation the Government has opened a Timor-Leste Tourist Information Centre in the city to provide information on places of local and national interest. The Central Tourist Zone also includes Atauro island that is central to eco and marine tourism, and Maubisse, which is the base for tourism and trekking in the area, including to Mount Ramalau.

62. The Western Tourist Zone includes the Great North Coast Road to Balibo, Maliana, Bobonaro and the Ermera coffee lands. The Government is promoting the Dutch fort in Maubara as well as the Ai Pelo Prison ruins and future museum. Importantly, the Government is supporting the comprehensive rehabilitation of the fort and Portuguese house at Balibo which will open in September this year, and the construction of a boutique hotel within the walls of the fort which will open in 2014. The Government will also develop and promote the hot springs of Marobo in order for them to become a highlight of a visit to the Western Tourist Zone.

Regional employment and development

63. To achieve the goals of the *Timor-Leste Strategic Development Plan* to create jobs and accelerate development in all sucos across Timor-Leste, the Government is implementing the National Program for Suco Development. The initial stage of this program will provide community investment grants averaging around \$50,000 per suco. Around \$300 million is expected to be invested over the life of the eight-year program.

64. Under the program Sucos will be directly involved in their own development through planning, construction and management of their own infrastructure. Grants will be offered to suco communities to accelerate the development of infrastructure facilities, improve access to services and generate additional jobs. Intensive training will be provided to community members and young people from all districts in participatory planning, civil engineering and financial management to equip them with the skills needed to support their communities in implementing the program.

Social Strategic Sector issues

65. The Social Strategic Sector Working Group is one of four working groups established to coordinate the implementation of the *Timor-Leste Strategic Development Plan* and the Program of the Fifth Constitutional Government over the next five years.

66. The Social Strategic Sector Working Group is co-chaired by the Ministry of Social Solidarity, the Ministry of Education and the Ministry of Health with the Ministry of Social Solidarity providing secretariat services. The lead supporting development partner is the Australian Government through AusAID. The following section sets out the policy framework and the Governments priorities over the next five years. More detail can be found at *Appendix B: Social Strategic Sector Working Group Program*.

Health

67. As stated in the *Timor-Leste Strategic Development Plan* Timor-Leste's Constitution embeds medical care as a fundamental right for all citizens and imposes a duty on the government to promote and establish a national health system that is universal, general, free of charge and, as far as possible, decentralised and participatory.

68. In October 2012 Timor-Leste had 13 medical specialist doctors, 139 doctors in general practice, 1,271 nurses and assistant nurses, 427 midwives and 416 health technicians. The number of doctors was massively boosted a month later when 400 Timorese students graduated after four years of study in Cuba and two years of study at the University of Timor-Leste. By the year 2016 it is anticipated that there will be over 1,000 Timorese medical graduates practicing as fully qualified doctors in Timor-Leste. The smooth integration of these doctors into the Timor-Leste medical system is a major Government priority.

69. The *Government Program* includes a commitment to service Health Posts in sucos with populations of 1,500 to 2,000 located in very remote areas over the next five years, with a

comprehensive package including basic curative services, immunisation programs, maternal and child health care, delivery of nutrition programs, tuberculosis follow-up, mental health care support, and health promotion and education.

70. The Government is also committed to ensuring the National Hospital Guido Valadares is able to start providing specialised and sub-specialised care. Planning has commenced for a Specialist Hospital in Dili that will reduce the need for cancer, and other patients requiring specialist treatment, to travel overseas.

71. Maternal and child health services are being improved by increasing access to high quality pre-natal, delivery, post-natal and family planning health services and improving emergency obstetric care through the recognition, early detection and management of obstetric complications at the community and referral level. Preventive and curative services to newborns, babies and children, and programs to vaccinate children against polio, measles, tuberculosis, diphtheria and hepatitis B, and to eliminate lymphatic filariasis and soil-transmitted infections are being expanded.

72. In addition over the next five years the Government will legislate to; regulate the delivery of health services by private providers and the not-for-profit sector so that they are required to comply with regulations applying to the public health care system; introduce occupational health and safety standards and other compliance regimes, including the regulation of pharmacies and other non-specialised retail shops that currently sell medicines to the public, often without a prescription.

73. Improved nutrition continues to be a Government priority. Strategies to promote the diversity and consumption of locally produced food, improved mother and child nutrition care practices, improved access to and quality of nutrition services at health facilities and in the community, and nutrition behaviour change programs are being expanded.

74. The health needs of our elderly and disabled people, and people with mental health disorders will be prioritised.

Education

75. The Government aims to ensure that all children attend school and receive a quality education that gives them the knowledge and skills to lead healthy, productive lives and to actively contribute to our Nation's development. To achieve this goal, over the next five years the Government will expand investment in our education system to ensure that we have the infrastructure and teaching workforce needed to enable all children to have access to high quality education regardless of where they live in Timor-Leste.

Pre-school education

76. Over the next five years the Government plans to build at least 250 new pre-schools and refurbish all presently degraded classrooms. The Government is developing broad theoretical and practical training programs for pre-school teachers so that by 2015 that at least half of all Timorese children from three to five years old receive quality pre-school education. Local languages are being piloted in some districts to improve access to education and ensure that children have a sound basis of literacy and mathematics knowledge.

Basic education

77. Rapid population growth is creating significant future demand for more teachers, classrooms and education spending. The Government recognises there is an urgent need to radically improve the quality of the basic education system, including an improvement in the training of teachers and other human resources. Over the next five years the Government's priorities are to enrol all children in the

first year of basic education at the proper age; reduce school dropouts, which currently stand at 70%; and encourage the completion of basic education within the designated time. The recommendations of the “Multilanguage Education Policy based on the Maternal Languages of Timor-Leste”, will be implemented so children can acquire the minimum literacy and mathematics skills. The Government is also budgeting to provide school buildings and facilities proportional to the increase in the number of school-aged children.

Secondary education

78. Over the next five years the Government aims to increase the capacity of secondary schools to absorb a greater number of students completing basic education, as well as expand the current secondary education system throughout the country, particularly in remote and regional areas. This will necessitate an infrastructure program to build modern schools that receive and teach the greater number of students attending secondary education. A new secondary education curriculum is being developed that includes qualifications and knowledge sets that respond to the needs of our students and of the labour market, as well as to our Nation’s development needs.

Higher education

79. The Government is developing an efficient polytechnic and university sector to provide our students the opportunity to receive quality education and to take part in the construction of our country. The Government’s priorities over the next five years are to implement a sound quality assurance system, recording all national qualifications in the National Qualifications Framework and to continue to develop the national quality assurance body, namely the National Agency for Academic Evaluation and Accreditation, which is responsible for determining standards and criteria ensuring the quality of higher education. In addition the Government is developing partnerships with world-class higher education institutions and encouraging efforts to coordinate international support. Polytechnic Higher Institutes, for each of our strategic industrial sectors, including the engineering polytechnic at Suai, a polytechnic for the service industry (tourism and hospitality) in Los Palos, an agriculture polytechnic on the south coast and a fishing academy on the north coast will be developed. The University of Timor-Leste will be expanded so that in the medium term it consists of seven faculties: Agriculture; Engineering, Science and Technology; Medicine and Health Science; Economics and Management; Education, Arts and Humanity; Law; and Social Sciences.

Professional Training

80. A new Timor-Leste Technical and Professional Education and Training Plan builds on the *Timor-Leste Strategic Development Plan* and will guide the development of the vocational education sector. It involves the establishment of a national traineeship system with the support of the new National Council for Skills, Employment and Productivity that will place students in accredited training with businesses and establish a training wage for participating businesses. The National Labour Content policy will establish requirements for the employment and training of Timorese people in national projects. Government and non-Government district skills centres will be established to deliver accredited training and international partnerships to enable Timorese to participate in international guest worker programs and South Korea and Australia will be expanded. The Government is also supporting life long learning and aims to eliminate illiteracy by 2015 by increasing the capacity of our current national literacy programs.

Social Inclusion

81. Assisting the poor and vulnerable members of our society; our children, women at risk of abuse, poor families, the elderly, veterans and victims of natural disasters, is an on-going Government obligation and priority.

Veterans

82. The Government is continuing to honour the past and our national heroes and providing support that our veterans rightfully deserve. The government will establish Veteran Councils in the districts to support the verification process and to ensure veterans and their families are living in dignity. The Government is also working on a system of allocation of scholarships to children of Martyrs and Combatants of the National Liberation, giving priority to underprivileged families.

Gender equality

83. As a result of the 2012 election 38% of Members of Parliament are women – the highest percentage of women elected to Parliament in Asia. This outcome was largely due to the amendment of the Parliamentary Election Law in 2011, to increase the quota of women on candidate lists to one out of three. Timor-Leste is now preparing for decentralisation through the establishment of municipalities and efforts will be made to encourage female candidates to stand for the municipal elections.

84. The Government is working to implement the actions in the *Timor-Leste Strategic Development Plan* that aim to achieve a gender-fair society including gender mainstreaming and the introduction of gender responsive laws, policies, programs, processes and budgets; gender awareness raising; improved basic and livelihood services for women; and fostering of women's employment and decision-making.

85. Gender mainstreaming will be conducted through the Development Policy Coordination Mechanism. Gender Working Groups at the Ministerial and District level will oversight gender responsive budgeting, planning and monitoring of implementation of activities. The Law Against Domestic Violence is being enforced and the National Action Plan on gender based violence 2012-2014 is being implemented to reduce domestic violence and gender based violence.

Youth and sport

86. With over 60 per cent of the population under 25 years old, our young people are experiencing high rates of unemployment and many that do have work are engaged in unskilled jobs or precarious employment situations. Young people are the major focus of the Government's education and vocational training programs. A Youth Fund will be established and a National Youth Centre in Dili will be funded to provide training in art, music, sports and civic education. The Government is continuing to promote and develop sport facilities and equipment in the districts.

Infrastructure Development Strategic Sector issues

87. The Infrastructure Strategic Sector Working Group is one of four working groups established to coordinate in the implementation of the *Timor-Leste Strategic Development Plan* and the Program of the Fifth Constitutional Government over the next five years.

88. The Infrastructure Strategic Sector Working Group is co-chaired by the Ministry of Public Works and Ministry of Transport and Communication with the Major Project Secretariat, National Development Agency, National Procurement Commission providing secretariat services. The lead supporting development partner is the Asian Development Bank. The following section sets out the

policy framework and the Governments priorities over the next five years. More detail can be found at *Appendix C: Infrastructure Strategic Sector Working Group Program*.

89. The *Timor-Leste Strategic Development Plan* sets out an infrastructure plan to underpin the sustainable growth of the nation and increase productivity, create jobs and support the development of the private sector. The infrastructure program includes power generation, construction of a national road network, building a national port, improving airport capacity and the Tasi Mane petroleum based south coast development.

Water and sanitation

90. Clean water supplies, basic sanitation and efficient drainage are critical to Timor-Leste's future as they lead to improved public health, create new jobs, encourage rural development and make it easier to maintain and sustain our valuable water resources and other infrastructure.

91. The Government is investing in major water and sanitation works in rural areas, regional and urban areas, schools and in Dili. Over the next five years, at least 400 water systems will be installed in 25,000 rural households and the Government will support the construction of community owned toilets, and recruit 88 sub-district water and sanitation facilitators for sucos under the Rural Water Supply and Sanitation Program. Rehabilitating existing water supply systems by systematically fixing leaks, repairing faulty pipes, valves and meters, training meter readers and establishing a billing system is a priority.

92. The Government is implementing the Dili Sanitation and Drainage Master Plan in order to reduce health risks and encourage economic development. The plan seeks to achieve staged improvements to sanitation by rehabilitating existing sewers and separating sewage from storm water drainage by building intercepting sewers. The Government will target areas containing medium to higher population densities, together with commercial, industrial and institutional areas for priority sanitation improvements. The Government is undertaking necessary engineering survey work to be able to provide local communities with local solutions to drainage problems. Maintenance of existing drains will be a key part of these solutions.

93. To address flooding problems in Dili the Government is implementing the Dili Sanitation and Drainage Master Plan. Over the next five years this will involve cleaning debris from drains, channel re-grading, construction of retardation basins and improvements to road drainage.

Electricity

94. Reliable electricity supplies are vital to improve quality of life and support urban and rural jobs growth and development. That is why Timor-Leste prioritised power generation and has completed Timor-Leste's largest infrastructure program, a national electricity grid with an effective transmission and distribution system.

Roads and bridges

95. Timor-Leste needs a decent road network to connect our communities, promote rural development, industry and tourism and the provision of public services. Timor-Leste is embarking on a long-term investment in roads which will include a major program of national and regional road rehabilitation, repair and improvement.

96. This program will also include two major road projects which will be commencing in 2013 which are the \$53 million Timor-Leste Asian Development Bank partnership Dili-Liquica and Tibar-Gleno road project and the \$92 million Timor-Leste JICA partnership Dili-Baucau road.

Seaports and airports

97. Timor-Leste needs a new national port as we are currently dependent on Dili port for our general cargo imports and exports. The average growth in container handling of Dili port over the last 7 years has been almost 20% and the port is struggling to cope. Limited port capacity already means that there can be a long berthing backlog. It also means that both cargo and passenger ships pass Timor-Leste by. That is why Timor-Leste will be building a new national port at Tibar Bay, a short distance from Dili. This project will involve extensive dredging and the building of port facilities including a container yard, terminal buildings and mobile cranes.

98. Timor-Leste also needs to undertake major development of our airport because it does not have the capacity to meet the future demands of passengers, aircraft and safety and to allow us to build our tourism industry. We are examining carefully our airport development options and needs which may include new terminal buildings, a car park precinct, freight and ground services, commercial spaces for retail, a longer runway and a sea wall.

99. The International Finance Cooperation is currently working with the Government on the Tibar Port and the National Airport to prepare for the projects to be delivered as Public Private Partnerships.

Petroleum – Tasi Mane Project

100. To bring petroleum development to our shores and provide a direct economic dividend from petroleum industry activities, supporting infrastructure will be developed on the south coast of Timor-Leste under the Tasi Mane Project. This will be a multi-year development of three industrial clusters including the Suai Supply Base cluster, the Betano Refinery and Petrochemical Industry cluster and the Beaco LNG-Plant cluster. Preliminary design and construction work has already commenced and this infrastructure development will have a transformative impact on Timor-Leste's economy and society.

Governance and Institutional Development Strategic Sector issues

101. The Governance and Institutional Development Strategic Sector Working Group is one of four working groups established to coordinate in the implementation of the *Timor-Leste Strategic Development Plan* and the Program of the Fifth Constitutional Government over the next five years.

102. The Governance and Institutional Strategic Sector Working Group is co-chaired by the Ministry of State and the Presidency of Council of Ministers, Ministry of State Administration, Ministry of Justice, with the Ministry of State and the Presidency of Council of Ministers providing secretariat services. The lead supporting development partner is the United Nations. The following section sets out the policy framework and the Governments' priorities over the next five years. More detail can be found at *Appendix D: Governance and Institutional Development Strategic Sector Working Group Program*.

Good governance in the public sector

103. Good governance in the civil service is of central importance to the Fifth Constitutional Government. It ensures trust and public confidence in government and in our democratic institutions. Improvements and reforms in the Ministry of Finance have resulted in the first time in history a Full Reconciliation of Accounts; meaning Government accounts in the Treasury are now fully reconciled with the Government account at the Central Bank. Senior management in the Ministry of Finance are now required to sign Asset Declarations and Performance Contracts with clear Key Performance Indicators, both a first within the Timor-Leste public service. The investment by the Government in transparent and accountable systems has resulted in Australia being the first donor to use Timor-Leste country systems.

Key governance institutions

104. Significant governance initiatives that have already been implemented include the establishment of the Civil Service Commission and the Anti-Corruption Commission and increasing the powers of the Office of the Inspector-General to enable it to act independently in the inspection and audit of government ministries and agencies. The Government will continue to support the Anti-Corruption Commission being provided with the resources and funds it requires to undertake its important mandate. The Anti-Corruption Commission has been methodically building its capacity and is a central and critical institution in the fight against corruption.

105. The Civil Service Commission continues to play a central role in improving the governance of the civil service. In addition to the important role it is undertaking with regard to discipline and misconduct the Civil Service Commission is continuing to ensure that the civil service is professional, honest, responsive and politically impartial. Pending the establishment of the High Administrative, Tax and Audit Court, a judicial body provided for in the Constitution, the Tribunal de Contas undertakes independent audits of the State.

Transparency initiatives

106. Timor-Leste was the first nation in the Asia Pacific region, and the third in the world, to become compliant with the Extractive Industries Transparency Initiative and is now considered to be leading best practice innovations in resource management. As a signatory to the Extractive Industries Transparency Initiative Timor-Leste publicly accounts for the money paid by resource companies operating in Timor-Leste, and the money paid to the Government. This information is available to the public from the Central Bank of Timor-Leste in Petroleum Fund Quarterly Reports and from the Timor-Leste Petroleum Authority.⁷

107. The Timor-Leste Government has embraced the principles behind the Extractive Industries Transparency Initiative and has gone on to develop the world's most accessible, comprehensive and transparent on-line data base of publicly available information on budget expenditure, tenders, development partners contributions and program implementation. The Transparency Portal is managed by the Ministry of Finance and consists of the following four web based portals:

- **Budget Transparency Portal** - details how the budget is spent, what it has been spent on, and how much budget remains. (<http://www.budgettransparency.gov.tl>)
- **Aid Transparency Portal** – details how much development partners give and where the money is spent. (<http://www.aidtransparency.gov.tl>)
- **eProcurement Portal** - details current tenders and who has been awarded a tender and the cost. (<http://www.eprocurement.gov.tl>)
- **Government Results Portal** - details Government priorities, monitors delivery of programs, and shows who benefits from projects. (<http://www.governmentresults.gov.tl>)

National Development Agency and the Economic Policy and Investment Agency

108. The National Development Agency monitors and advises on the implementation of projects set out in the *Timor-Leste Strategic Development Plan*. It works with the Major Projects Secretariat to evaluate major infrastructure proposals and monitors and reports on their execution. As set out in the *Timor-Leste Strategic Development Plan* a new agency, the Economic Policy and Investment Agency, will be established to design approaches and initiatives to drive Timor-Leste's development, economic growth and industry diversification. The Agency will have the ability to commission independent

⁷ See <http://www.bancocentral.tl/PF/Reports.asp> and <http://www.anp-tl.org/webs/anptlweb.nsf/vwAll/Publish%20What%20You%20Pay>

research and advise on a range of economic, social and environmental issues affecting Timor-Leste and will focus on ways to achieve a more productive economy.

Decentralisation

109. The Government of Timor-Leste is seeking to honour the nation's Constitutional commitment to decentralisation and a system of local government. The *Timor-Leste Strategic Development Plan* and the *Government Program* both include a commitment to implement a system of local government consistent with the Constitution. Over 70 per cent of Timorese live in rural areas. This means that, for many people, the central Government in Dili is a long way from their villages and towns, making it hard for them to engage directly and regularly with the Government. It is also difficult for the Government to identify and respond quickly and appropriately to the needs of remote communities. The Fifth Constitutional Government is aiming to be closer to the Timorese people and to give people a greater say in decisions that affect their lives, families and communities.

110. In June 2009, the Law on Administrative and Territorial Division was approved by the National Parliament.⁸ The law establishes 13 municipalities (based on Timor-Leste's existing 13 districts) and nominates the administrative headquarters for each municipality. Our challenge now is to find the best way to incorporate our existing district, sub-district and suco structures into a system of local government that is consistent with the Constitution and that reflects the cultural traditions and strong community bonds of the Timorese people.

111. This reform is not simply a matter of establishing a process to elect local representatives. It involves developing the skills and capabilities required to administer municipal bodies and to plan, manage and deliver public services at the local level. Many different systems of local government and local administration exist around the world. In designing our new system in Timor-Leste, we have the opportunity to learn from the experiences of other countries and develop a model that best suits our nation's unique circumstances, traditions and culture.

Justice

112. The development of the justice sector is vital to ensure a culture of democratic governance, as well as stability and development in Timor-Leste.

113. The Fifth Constitutional Government is continuing to strengthen the independence of magistrates, the autonomy of the Public Prosecution and the professionalism of the legal profession. Simple language is being used in legislation and there is a regular dialogue with civil society and the public in developing laws. The Government is also working to make justice services available in the districts by deploying additional magistrates, prosecutors and public defenders throughout the country. Steps are being taken to regulate and promote alternative means for solving disputes, such as mediation and conciliation, particularly in matters concerning labour, family or land disputes.

114. Technical and human capacity building in the areas of criminal investigation and other forensic sciences is being prioritised to address complex crimes, such as organised crime, corruption, and money laundering, as well as domestic and sexual crimes.

115. The development and implementation of legislation to govern property and the use of land in Timor-Leste is being given the highest priority as it is vital for Timor-Leste's economic development.

⁸ Law No. 11/2009 of 7 October *Administrative and Territorial Division*

Security reform

116. Security and citizen safety continues to be a Government priority. The process of reform has ended the cyclical bouts of instability and has created greater confidence between the people and the security forces.

117. In March 2011, primary policing responsibility was handed over from UNPOL to PNTL, which marked completion of the resumption process. Three districts were put on a special monitoring program to resolve residual challenges. There have been no major incidents since the gradual handover, and crime rates are reported as low. The peacekeeping mandate of the United Nations ended in December 2012 - a milestone marking a new era of transition from instability to development.

International relations and ASEAN

118. Having secured stability after a long period of peace building, Timor-Leste is now focused on State building. The international community supported Timor-Leste's successful transition from fragility to resilience, and now our nation is stepping up our international engagement so we can make a contribution in return.

119. Last November, Timor-Leste participated in the first trilateral meeting with the President of Indonesia and the Prime Minister of Australia. We have also begun annual trilateral meetings of our Defence Ministers and our Ministers of Foreign Affairs.

120. Timor-Leste has made an application to join ASEAN. As Timor-Leste is part of South East Asia our nation also wants to be part of ASEAN and together contribute to regional growth, social progress and cultural development in a spirit of partnership.

121. In 2014 Timor-Leste will be the chair of the CPLP group of nations. This is a very important responsibility and honour for Timor-Leste and our nation looks forward to making a contribution to the solidarity and development of the Portuguese speaking nations of the world.

122. Timor-Leste is also deepening its relationship with the Pacific Island nations. Timor-Leste shares many of the challenges and the opportunities that the Pacific Islands face and our nation looks to contribute strongly as an observer to the annual Pacific Islands Forum and through our strong bi-lateral relationships.

123. In April this year, Timor-Leste was honoured to take over the Chair of the 69th session of the United Nations Economic and Social Commission for the Asia Pacific. The Prime Minister of Timor-Leste will Chair this session over the next year and work with ESCAP, and the nations of the Asia Pacific, to make further progress and improve human development.

Annexes

A: Economic Strategic Sector Working Group

B: Social Strategic Sector Working Group

C: Infrastructure Development Strategic Sector Working Group

D: Governance and Institutional Development Strategic Sector Working Group

E: Fifth Constitutional Government Ministry

<p>Prime Minister and Minister for Defence and Security, Kay Rala Xanana Gusmão</p> <ul style="list-style-type: none"> - Secretary of State for the Promotion of Equality: Idelta Maria Rodrigues - Secretary of State of Youth and Sports: Miguel Manetelo - Secretary of State for Professional Training and Employment Policy: Ilídio Ximenes da Costa - Secretary of State for Institutional Strengthening: Francisco Soares - Secretary of State for Support and Promotion of the Private Sector: Veneranda Martins 	<p>Vice Prime Minister and Coordinator of Social Affairs: Fernando Lassama de Araújo</p> <ul style="list-style-type: none"> - Secretary of State for the Promotion of Equality: Idelta Maria Rodrigues - Secretary of State of Youth and Sports: Miguel Manetelo - Secretary of State for Professional Training and Employment Policy: Ilídio Ximenes da Costa 	<p>Minister of State and of the Presidency of the Council of Ministers: Agio Pereira</p> <ul style="list-style-type: none"> - Secretary of State of the Council of Ministers: Avelino Coelho da Silva - Secretary of State for Parliamentary Affairs: Maria Terezinha Viegas - Secretary of State for Media: Nélio Isaac Sarmiento
<p>Minister of State and of Foreign Affairs and Cooperation, José Luís Guterres</p> <ul style="list-style-type: none"> - Vice Minister of Foreign Affairs and Cooperation: Constâncio da Conceição Pinto - Secretary of State for ASEAN Affairs: Roberto Soares 	<p>Ministry of Defence and Security</p> <ul style="list-style-type: none"> - Secretary of State for Defence, Júlio Tomás Pinto - Secretary of State for Security: Francisco Guterres 	<p>Minister of Finance, Emília Pires</p> <ul style="list-style-type: none"> - Vice Minister of Finance: Santana Cardoso
<p>Minister of Justice: Dionísio Babo Soares</p> <ul style="list-style-type: none"> - Vice Minister of Justice: Ivo Jorge Valente - Secretary of State for Land and Property: Jaime Xavier Lopes 	<p>Minister of Health: Sérgio Gama Lobo</p> <ul style="list-style-type: none"> - Vice Minister for Ethics and Service Delivery: Natália Araújo - Vice Minister for Management, Support and Resources: Maria do Céu da Costa 	<p>Minister of Education: Bendito Freitas</p> <ul style="list-style-type: none"> - Vice Minister of Basic/Primary Education: Dulce de Jesus Soares - Vice Minister of Secondary Education: Virgílio Simith - Vice Minister of Higher Education: Marçal Avelino Ximenes
<p>Minister of State Administration: Jorge da Conceicao Teme</p> <ul style="list-style-type: none"> - Secretary of State for Administrative Decentralisation: Tomás Cabral - Secretary of State for Local Development: Samuel Mendonça 	<p>Minister of Commerce, Industry and Environment: António da Conceição</p> <ul style="list-style-type: none"> - Vice Minister of Commerce, Industry and Environment: Abel da Costa Ximenes - Secretary of State of Commerce: Ricardo Cardoso Nheu - Secretary of State of Industry and Cooperatives: Filipus 'Nino' Pereira - Secretary of State of Environment: Nominando Soares Martins 'Buras' 	<p>Minister of Social Solidarity: Isabel Guterres</p> <ul style="list-style-type: none"> - Vice Minister of Social Solidarity: Jacinto Rigoberto de Deus - Secretary of State for Social Security: Vítor da Costa - Secretary of State for the Combatants for National Liberation Affairs: Júlio Sarmiento da Costa
<p>Minister of Public Works: Gastão Francisco de Sousa</p> <ul style="list-style-type: none"> - Secretary of State for Public Works: Luís Vaz Rodrigues - Secretary of State for Electricity: Januário Pereira - Secretary of State for Water, Sanitation and Urban Development: Elias Pereira Moniz 	<p>Minister of Transport and Communications: Pedro Lay</p> <ul style="list-style-type: none"> - Vice Minister for Transport and Communications: Flávio Cardoso Neves 	<p>Minister of Agriculture and Fisheries: Mariano Assanami Sabino</p> <ul style="list-style-type: none"> - Vice Minister of Agriculture and Fisheries: Marcos da Cruz - Secretary of State for Forestry and Nature Conservation: João Fernandes - Secretary of State for Fisheries: Rafael Pereira Gonçalves - Secretary of State for Livestock: Valentino Varela
<p>Minister of Tourism: Francisco Kalbuadi Lay</p> <ul style="list-style-type: none"> - Secretary of State for Art and Culture: Maria Isabel de Jesus Ximenes 	<p>Minister of Petroleum and Mineral Resources: Alfredo Pires</p>	