



2022 TIMOR-LESTE & DEVELOPMENT PARTNERS MEETING

"TOGETHER WE WORK TO RECOVER THE ECONOMY TOWARDS A RESILIENT SOCIETY"

Government of the Democratic Republic of Timor-Leste and Development Partners Joint Statement

10 June 2022

The Ministry of Foreign Affairs and Cooperation, and the Ministry of Finance of the Democratic Republic of Timor-Leste organized in Dili the annual Timor-Leste and Development Partners Meeting (TLDPM) on June 10th, 2022, at Kayrala Xanana Gusmão Auditorium, Ministry of Finance.

The Government of the Democratic Republic of Timor-Leste and Development Partners jointly reflected on the significant achievements of the Government and people of Timor-Leste over the past 20 years since the restoration of independence in 2002. Timor-Leste is now an established lower-middle income economy and a robust democracy, as evidenced by the well-run 2022 Presidential elections, and Timor-Leste's ranking as the second most democratic country in South-east Asia. There are strong protections on human rights and press freedom. There have been improvements in human development, such as the halving of infant mortality since 2002 and a reduction of poverty. Among other achievements, the sustained efforts to improve national infrastructure are noted. Today, for example, 96 percent of the Timorese population have access to electricity.

Timor-Leste, like the rest of the world, faced the global COVID-19 pandemic and many countries are still struggling with variants of the disease. Although we hope that the worst of the pandemic is over, we agreed on the importance of continued efforts to have most of population of Timor-Leste fully vaccinated.

Looking to the future, the Government of the Democratic Republic of Timor-Leste and Development Partners acknowledged the need to build on past achievements to address future challenges. Among others, the importance of fiscal sustainability and sound public financial management was emphasized. The Ministry of Finance's projections suggest that the Sovereign Petroleum Fund will be depleted in a decade. Thus, there is a need to diversify the economy, to nurture the private sector, to create jobs, and to increase domestic resource mobilization to safeguard the wealth of future generations. Efforts to increase preparedness, combat and adapt to the threats of natural disasters posed by climate change also need to be scaled-up. Gender inequality must be adequately addressed, as do high levels of violence against women and girls, which undermine human and economic development. Furthermore, we agreed on the importance of building human capital, as the future of a country is in the hands of future generations. The urgency of improving nutrition outcomes for children was recognized, as was the importance of continued training and education especially for youth.

Development Partners acknowledged the importance of improving their ways of working. Better coordination among Development Partners, under Government leadership, and amongst themselves, will help to maximize impact of technical expertise and financing to facilitate effective policy dialogue as a lever for development. Greater alignment of donor financing with the Government priorities as well as more regular resource to country systems, for instance through budget support, will lead to more sustainable outcomes. To achieve this, steps have been taken by the Government and Development Partners to ensure a more sustained and regular dialogue. Our continued efforts in this direction will improve national ownership and the reaching of a coherent development agenda.

Looking ahead, Development Partners pledged to work collectively in support of efforts by the Government of the Democratic Republic of Timor-Leste to address development challenges. Priority areas for support included:

- (i) the implementation of the Consolidated National Action Plan for Nutrition and Food Security, addressing child malnutrition, in particular and more generally putting a particular emphasis on the next generation.
- (ii) the reform of public financial management, building on the recommendations of the International Monetary Fund and others.
- (iii) the need to accelerate economic diversification, particularly in agriculture, fisheries and tourism, including a focus on improving Timor-Leste's enabling environment for economic activity.
- (iv) the preparation for natural disasters through investing and strengthening approaches to climate change adaptation and resilience.
- (v) the development of human capital, in areas such as health, education, and skills development for jobs. This includes leveraging support and remittances from Timorese diaspora for economic development.

The Government of the Democratic Republic of Timor-Leste and Development Partners are committed to work together to recover the economy towards a resilient society. Thus, we also recognized the importance of building the capacity of civil society, strengthening social accountability to enhance development outcomes, and promoting meaningful and structured participation by civil society in domestic policy formulation.

It was agreed that the new National Action Plan on Gender Based Violence needs to be translated into practical action to ensure that women truly enjoy equality in their daily lives, and that persistent violations of their rights do not occur.

The importance of Timor-Leste's further integration into the global and regional economy was recognized, for example through stronger engagement with the Association of Southeast Asian Nations (ASEAN), the accession to the World Trade Organization, and the digitalization of means of governance, including preparation for expanded internet access. Enhanced links with ASEAN including regional economic integration can only be achieved through border management, trade, mobility and addressing transnational organized crime.

We reaffirm our shared desire for an enhanced relationship between the Government of the Democratic Republic of Timor-Leste and Development Partners underpinned by our shared belief in freedom, democracy, rule of law, equal rights, human dignity and multilateralism.

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